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THE ROMANCE OF COMMERCE

SIR THOMAS GRESHAM.

From the picture in Mercer's Hall.

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THE ROMANCE OF COMMERCE

BY H. GORDON SELFRIDGE

WITH ILLUSTRATIONS

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"Five great intellectual professions have hitherto existed in every civilized nation:

The Soldiers to defend it.
The Merchants to provide for it.
The Pastors to teach it.
The Physicians to keep it in health.
The Lawyers to enforce justice in it.

And the duty of all of these is, on due occasion, to die for it."

John Ruskin.

DEDICATION

To the Merchants and Men of Commerce throughout the entire world, or to those among them who love their calling and count themselves fortunate in being able to follow its intricate but fascinating paths—to those who look upon work as glorious and to be sought—who look upon idleness as unproductive and to be avoided—to those whose efforts are unitedly making the world busier, happier, richer, and more able to provide the good things of life, this volume is dedicated by

THE AUTHOR.

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Note.—These chapters were written before the war, and have been waiting all these months for a time when publication seemed reasonably wise. They have now been read over, but very few changes or additions have been made. The Author.

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ROMANCE OF COMMERCE

I

CONCERNING COMMERCE

TO write on Commerce or Trade and do the subject justice would require more volumes than any library could hold, and involve more detail than any mind could grasp. It would be a history *in extenso* of the world's people from the beginning of time. For we are all merchants, and all races of men have been merchants in some form or another. The desire to trade seems to be inherent in man, as natural to him as the instinct of self-preservation, and from earliest recorded history we see trade and barter entering into and becoming part of the lives of men of all nations, and further, we see it as one of the most desirable objectives of the nations themselves. Ever since that moment when two individuals first lived upon this earth, one has had what the other wanted, and has been willing for a consideration to part with his possession. This is the principle underlying all trade however primitive, and all men, except the idlers, are merchants.

We give this title exclusively to the man who buys and sells merchandise, but the artist sells the work of his

brush and in this he is a merchant. The writer sells to any who will buy, let his ideas be what they will. The teacher sells his knowledge of books—often in too low a market—to those who would have this knowledge passed on to the young.

The doctor must make an income to support himself and his family. He too is a merchant. His stock-in-trade is his intimate knowledge of the physical man and his skill to prevent or remove disabilities. He sells a part of his experience for a given sum to whomsoever seeks his advice. The lawyer sometimes knows the laws of the land and sometimes does not, but he sells his legal language, often accompanied by common sense, to the multitude who have not yet learned that a contentious nature may squander quite as successfully as the spendthrift. The statesman sells his knowledge of men and affairs, and the spoken or written exposition of his principles of Government; and he receives in return the satisfaction of doing what he can for his nation, and occasionally wins as well a niche in its temple of fame.

The man possessing many lands, he especially would be a merchant in fact, and sell, but his is a merchandise which too often nowadays waits in vain for the buyer. The preacher, the lecturer, the actor, the estate agent, the farmer, the employé, all, all are merchants, all have something to dispose of at a profit to themselves, and the dignity of the business is decided by the manner in which they conduct the sale.

To work is elevating. To accomplish is superb. To fill one's time with profitable enterprise is to leap forward in the world's race, and to place beside one's name the credit mark of effort. It has always been so since civilization began, and all effort has always had for its object a gain of some kind, while the amount of effort is usually determined by the value of the hoped-for gain, plus the temperament, ambitions and inclinations of the doer.

The first efforts were made in the direction of bodily

protection. Food, clothing and shelter, these, in some degree, must be possessed by every individual. And the steps from these crudest beginnings of trade up to the science of Commerce of the twentieth century are as interesting to study as the pages of the wildest romance. Wealth with its accompanying power has been since earliest time the goal that no honest effort can be too great to reach; and the goal it must always remain for peoples who have the red blood of progress in their veins. And without Commerce there is no wealth. Adam Smith wrote one hundred and fifty years ago: "All original wealth comes from the soil"; but while the soil so amply repays labour expended upon it, the owner of the crops looks to the alchemist, Commerce, to turn his golden harvests into golden coin.

Commerce creates wealth, and is the foundation of the great state. Armies are raised and paid for to win, or to protect the countries' trade, or commerce. Ships are constructed, colonies established, inventions encouraged, governments built up, or pulled down, for Commerce. Commerce cuts the way, and all professions, all arts follow. If Commerce is necessary to wealth, no Commerce means no wealth, and our statesman soon finds himself out of employment. Where wealth again is greatest, everything else being fairly equal, arts thrive the most.

A thousand departments of mental and physical activity foster and in turn are fostered by its achievement. People must be governed, and there must be those who govern. Laws must be made, and there must be those who study, and those who execute these laws. People must be taught, and there must be teachers. All these and the Church, the newspaper, the theatre, the fine arts are essential to the completeness of the State, to the happiness and safety of its people; but Commerce is the main stem, or trunk, where they are all branches, supplied with the sap of its far-reaching wealth. It is as necessary to the existence of any nation as blood to

the physical man. That country in which trade flourishes is accounted happy, while that in which Commerce droops provokes shaking of heads and prophecies of downfall.

Just as in a beautiful tapestry there must be the groundwork, the foundation upon which the design is woven, so has Commerce acted as the underlying warp and woof in the development of civilization. It gives both strength and substance, and more than this, for it gives colour as well. Its threads are so closely interwoven with the rest as to be almost indistinguishable from them. Or to change the simile, Commerce is the foundation upon which nations are built; but it is also the superstructure, and provides the bands of steel which support every part of the national edifice.

Commerce is the mother of the arts, the sciences, the professions, and in this twentieth century has itself become an art, a science, a profession. As it plays with a fine touch on the strings of human nature the world over, and makes happier by its fairness the youth of to-day and the man of to-morrow, it is an art.

As it strives for the new and discards the old, when the old has been superseded by the better, as it invents and thinks out methods, ideas, even fundamental principles, and as its laboratory is always occupied by men who are searching for the causes of its depression and experimenting upon its possibilities of progress, so it becomes a very catholic science.

And as it studies and digs deeper into the wishes and wants of the people; as it urges and proclaims its determination to force a higher and better standard of living throughout the realm of its activity; as it hates the wrong, the deceitful, and holds up the fair and straightforward; as it stands for greater accomplishment, greater power, greater happiness to its own workers and to the entire community as well, then it may truly be ranked as a profession, and one whose sphere of work is broader, whose almost uncountable ramifications are

infinitely more far-reaching than those of any other profession.

Great is Commerce, and great is its field of work, of thought, of development.

It is to the writer an almost incredible thing that any Government could ever be so suicidally short-sighted as to discourage trade; yet history is full of the restrictions placed upon it by the very men who would have profited by making its path easier. Commerce has developed too often in spite of legislation rather than by its help. This has almost always been so, and is very true to-day, for as far as we can see there has been very little progress made by law-makers towards encouraging Commerce. How rarely indeed are laws passed to encourage anything. They restrict, they limit, they prohibit from this and that; and as regards the man of Commerce their whole purpose seems to be too often to hamper and annoy.

However, it is folly to waste ink on this subject. It has always been so, and, for all that we can see, always will be. Some day, perhaps, some Solomon may rise and create a form of government which will please everyone; and if this new Solomon comes from the same race as his distinguished predecessor we may be sure he will see to it that in his government business shall find a true friend.

II

The world is ripe for a new philosophy; perhaps for a new religion, as understood in its broadest meaning. We are hungry for higher ideals, higher inspirations, standards beyond those which man has thus far conceived. Our minds are finite. We can and do improve our physical condition. Our lives are made continually easier. We have many clever devices which aid us to live. We can and do better our methods, our systems. This is easy because there is so much left to accomplish

in that direction before perfection is reached, but our mental development is limited indeed.

We cannot go beyond a certain point in our ambitions, our achievements. We seem to reach the end of our ability, and, what is much worse, we seem to have made no progress since earliest history.

A Brahmin prince, a thousand years before Christ, wrote a great epic poem, a poem of many volumes, and the striking thing in this wonderfully beautiful work is his description of the perfect character. We read his words three thousand years later, and realize they describe our ideal. We have imagined nothing finer, nothing more nearly perfection. It is as if our idea of the best were a perfect circle which, as a circle, cannot be bettered. When the Greeks reached their highest perfection in architecture, they had designed that which could not be surpassed. The proportions conceived by them remain in this twentieth century as the acknowledged standard of perfection: we cannot better their graceful lines. Man's character, however, is not governed by arithmetic but by imagination; and if our minds were not so extremely finite we should pierce through this wall of limitations and picture greater perfection, a higher type of man, a nobler ambition.

The world is ready for a great superhuman mind which can break down the limits of mental vision and give a new philosophy that shall eliminate from the mind those little, petty, mean elements which cause it to be so earthy. Why should man allow jealousy to make him miserable? Why should he hold his eyes so close to the surface that he cannot take a broad survey of life? Why should he not throw from him for ever that contemptible yellow streak in his nature which breeds the snob? Why should activity be an effort, and laziness a natural trait which must be overcome and thrown out before one is free from it?

Why does one follow another without thought, simply because that one has followed someone else? Why do

THE PRESENT ROYAL EXCHANGE

From an engraving by Thomas Higham, after a drawing by G. B. Moore

so few think for themselves? Why must one learn to think, and why cannot a philosophy be conceived which makes thinking as natural as seeing?

The human animal is a most superb piece of machinery, and the mind is the most wonderful part of that machine; but man has allowed it to become clogged with old worn-out threads of prejudice, of hypocrisy, of cant, of inefficiency, of dullness, of snobbery, with the dust of a hundred undesirable things that mar the pattern of the fabric which this machine is trying to weave. The world wants another flood,—a great mental torrent to wash away the accumulations of false ideas, the obstacles, the traps, which trip and hold fast against progress.

Oh! for a mental giant who can brush away this wall of limitations and give us new ideas of life!

And in all phases of life we find this want. Just as the foolish superstitious person surrounds himself with childish notions and distresses himself because he sees the moon over the wrong shoulder, or spills salt, or travels on a Friday—so in all phases and undertakings of life we are raising unnecessary obstacles which prevent our running the race well and swiftly.

Even in Commerce, which, as we have ventured to suggest, enters into the very life and soul of the nation, these littlenesses are too apparent. Why cannot business be conducted with the same sportsmanlike manliness as a game of football? Business does not always mean getting the better of someone else. Business does not stand for trickiness, for chicanery. Though business too often thrives when such practices are adopted, its thriving is in spite of these rather than by their aid. One may feed a strong ox with a certain amount of undesirable food, and it will continue to be strong; but when that proportion is raised to a point beyond its ability to ignore, the animal suffers and finally dies. So a business may often seem to accept the false policy of its heads and still survive, but a poor policy cannot help in the upbuilding of a lasting fabric.

Honesty always pays. Honesty alone will never build a business, any more than good well-burnt bricks alone will build a house. But the policy of honesty, of scrupulous integrity, will, other things being reasonably equal, always win in the race for success.

Let us take as an example the question of advertisement. We need a new philosophy here. Why should a statement be subject to question? Is it not infinitely wiser to make every statement dependable beyond the chance of question? Why pay for space and then fill it with matter which must quickly be discovered to be false? Why thus reduce the value of every future statement? And yet this is exactly what is continually being done in many parts of the world.

This inconsistent action is due to the fact that men who have adopted Commerce as their medium of activity are working on the played-out philosophy of trade which sprang up after the sturdy old merchant-adventurers ceased to exist; that false philosophy which thought it was clever to be too shrewd; that it was good business always to try to get the better of the other; that it was impossible to be honest in business; that exaggeration, spoken or written, was not only necessary but clever; that nearly everyone was a fool, and fools could best be handled by knaves; that a trick which meant a cheat was something to applaud; that nothing must be given which could be charged for; that no one must be paid more than could be helped; that the stronger was quite right in oppressing the weak; that might was always right when dealing with employés; that loyalty, if desirable, was to be obtained through fear rather than through justice or affection; that competition involved personal antagonism; that a large outlay or production was usually foolish, and that hoarding was the only way to wealth; and so on until one is nauseated with the littlenesses which crowded out the broader philosophy.

These were some of the things which discredited trade; these were the thistles which were allowed to

grow up and choke the beautiful wide road of Commerce. No wonder that the word "trade" became the synonym for disrespect, almost for contempt. No wonder this great field of endeavour was avoided by the young man who was ambitious to hew out for himself a place in the world; and that he rather sought opportunity in the overcrowded field of the law, which, more often than not, fails to provide its disciples even with a decent living, or in some other profession whose results are always problematical.

These old fallacies provoked the sneer, and the extraordinary thing is that they maintained themselves in their falsity as long as they did.

But trade, with its broader, safer road to financial success, is coming into its own. The old must give way to the new, and the philosophy of the leaders in the world's Commerce is diametrically opposed to all those old unprincipled principles.

It is not clever to be too "shrewd." It is not good to get the better of another by hook or crook, by deception or falsehood. It is not only possible to be honest in business, but it is the height of unwisdom to be other than honest. Exaggerated statements of any kind are dangerous, and no people are easier to compete against than those who use exaggeration. The world is not made up of fools, but of extremely worldly-wise people who recognize a knave with little difficulty. The trick is no longer the object of applause but of condemnation, and a trickster soon finds himself very much alone in business. It is wise to be very liberal with the public, and to give something which could be charged for is no longer a business error but quite the reverse. It is desperately silly to hold wages down to the breaking point; for there is so much more to the employé than two arms and two legs. There is the spirit of enthusiasm and earnestness and "I will," which means more to the employer than ten pairs of arms and legs. And loyalty is a quality to be earned by the employer from the

employé, and only earned by fair, friendly, generous treatment. The spirit and even the letter of the "Golden Rule" has been proved not only possible but pre-eminently practical in business life; and it is easy to see the reason for such a result if imagination is allowed to reverse the relation between employer and employed.

Pettiness is being dethroned from the place in trade to which it never had a right, and big, broad, sportsmanlike ideas have taken its place. That one must consider a competitor as necessarily other than a friend has gone with all the other discarded beliefs. It is no more true of business than of cricket or baseball.

These notions have been discarded and thrown into the waste heap with other peculiar and absurd customs or methods of past years, but they have not yet been abandoned by every one.

The newer philosophy of trade has been evolved and accepted by the leading men of business the world over. It has become their commercial Bible. They know that it brings the greatest success, but they know much more; they know it is putting, and in many communities has put, Commerce as a life work again into that splendid dignified position which it rightly held under the merchant-adventurers in the days of Queen Elizabeth.

III

Ambition is wonderfully varied, and it is most fortunate that it is so.

Not all the people of a country seek after the same thing—not to all do the charms of winning appeal. To some men Commerce, the science of making, of buying and selling, seems uninviting, and some are still foolish enough to think it undignified and mean.

Commerce, broad not narrow, bold not timid, liberal not mean, energetic not lazy, can be as dignified as any other calling or profession.

It is not Commerce which often makes the individual merchant narrow, mean and dishonest. It is the man himself who undignifies Commerce to the extent of his influence. It is not the law which makes the little tricky, unscrupulous lawyer, it is the man himself, and it is generally he who makes men so hate that profession. It is the smallness of the man which makes us have disrespect for his calling; but with breadth of ideas, with nerve, with confidence in self, the man of Commerce can, and does, feel as proud of his sphere of action as can any man.

It is almost incredible that people should still exist who consider trade undignified.

Of all the stupid ideas which the last century with its stilted and, more often than not, totally unintelligent dignity has handed down to us none approaches more nearly than this to the point of utter imbecility.

Young men whose position makes them independent are greatly influenced by the attitude of those with whom they are thrown, as to the business or profession into which they are to place themselves. If society frowns upon all work, or effort, except that connected with the Army or Navy or perhaps some governmental post, then unfortunately for the country the young men—members of the so-called governing class—will flock into these occupations and let the others suffer. There is in every country a limit to the number who can be satisfactorily employed permanently as officers in the Army or Navy, as diplomats, or as members of the working staff of the Government. These positions, it is needless to say, must be filled with intelligent men, but equal encouragement should be given to those in other spheres of influence.

Trade is the foundation of wealth. It is the great bedrock of strength upon which a nation is built. It should be nourished, cultivated, encouraged, appreciated and praised. It should never be scorned. It is a magnificent servant which cannot be spoilt by

kindness, but its enthusiasm can be checked, its virility weakened, its forcefulness taken away by indifference or worse.

It is within the power of Society to insist upon dignity in Commerce, and withhold her approval from the pettiness which is found on the lower fringe of trading; but she surely errs if she casts a disdainful eye on the whole industry, and allows such snobbishness to become in any way fashionable.

We shall see that the old kings, from whom the society of the day was wont to take its cue, were in many cases wise enough to encourage Commerce to their utmost, and found it to their advantage to do so. And in our own day we see some great leaders giving every encouragement to Commerce.

As Ruskin says most truly:

> "Five great intellectual professions . . . have hitherto existed . . . in every civilized nation: The soldiers to defend it; the merchants to provide for it; the pastors to teach it; the physicians to keep it in health; the lawyers to enforce justice in it; and the duty of all these men is, on due occasion, to die for it."

A life spent in Commerce may, to many, seem full of drudgery, but so may be the life given to discovery, to invention, to art, to the study and practice of the law, to diplomacy and politics, or to any other undertaking. It is indeed not unreasonable to argue that there are fewer hours of tiresome, tedious, uninteresting labour spent in Commerce than in any other serious pursuit.

Ability is fine, but ability only becomes productive with proper training—a training which includes association with men strong in will-power and great in achievement.

For this, broad Commerce is the best school. It gives men confidence in themselves without self-satisfaction or conceit. It develops the imagination and encourages high ideals; it teaches them to think and to work with their whole might. It calls upon them for their best,

their highest skill and intellect, their steadiest nerve, their widest study, their greatest force of character, and they must exercise these powers continuously or sink under keen and relentless competition, just as the swimmer in deep water sinks and dies if he fails to use his arms.

The head of a great business house must be a really capable man, otherwise its prestige weakens, and competitors who are everywhere, wrest its position from it. But herein lies much of the fascination of a business career. A race run without competitors is a dull race indeed; a game played alone is without interest unless one plays against an imaginary competitor—a Colonel Bogey as it were—but even then much of the zest is lost and the man who first said "Competition is the spice of life" uttered an aphorism which is indisputably true.

A great business may, in a way, become almost a principality, and under broad, capable administration make princes of its members—merchant princes. In the family of Fugger, for instance, it did much more. It made them practically the arbiters, the court of last resort in quarrels between kings, and carried them to the highest pinnacles of success. Theirs, indeed, was the aristocracy of trade, and they owed their position to the fact that the first Fugger had determined to make himself a man of Commerce in a broad way, and had set an example for his successors to do likewise; and they had the further great good fortune to possess as heads of their house a continuous line of large-minded men, who kept their manliness and strength of purpose, who acknowledged no game, no sport, as being so interesting or inspiring as their own; who never let the seductive but effeminating love of ease turn them from the goal of success; who, while the richest, the most sought after, and, no doubt, the most flattered of all their fellow-men, never lost their superb characteristic of inveterate industry. Had this family maintained its

virility and strength of purpose no one can estimate the influence which it would possess in the world's affairs to-day.

Personally, we should like to see a revival of the fine old spirit of the merchant-adventurers. Broad Commerce still offers an opportunity to the flower of England's young men, but too many are blind to her outstretched arms. Long ago, in 1711, that master of the pen—Addison—wrote of England's Commerce:

"If we consider our own country in its natural prospect, without any of the benefits and advantages of Commerce, what an uncomfortable spot of the earth falls to our share! Natural historians tell us that no fruit grows originally among us, besides hips and haws, acorns and pig nuts, with other delicacies of a like nature; that our climate of itself, and without the assistances of art, can make no further advances toward a plum than a sloe, and carries an apple to no greater perfection than a crab; that our melons, our peaches, our figs, our apricots, and cherries are strangers among us, imported in different ages and naturalized in our English gardens; and that they would all degenerate and fall away into the taste of our own country, if they were wholly neglected by the planter and left to the mercy of our sun and soil. Nor has traffic more enriched our vegetable world than it has improved the whole face of nature among us.

"Our ships are laden with the harvest of every climate; our tables are stored with spices and oils and wines; our rooms are filled with pyramids of china and adorned with workmanship of Japan; our morning's draught comes to us from the remotest corners of the earth; we repair our bodies by the drugs of America, and repose ourselves under Indian canopies.

"The vineyards of France are our gardens, the Spice Islands our hot-beds; the Persians are our weavers, and the Chinese our potters. Nature indeed furnishes us with the bare necessaries of life; but traffic gives us a great variety of what is useful, and at the same time supplies us with everything that is convenient and ornamental. For these reasons there are not more useful members in a commonwealth than merchants. They knit mankind together in a mutual intercourse of good offices, distribute the gifts of nature, find work for the poor, add wealth to the rich, and magnificence to the great.

The R.t Hon.ble Joseph Addison Esq.
one of his Majestys Secretarys of State

"Our English merchant converts the tin of his own country into gold, and exchanges his wool for rubies.

"The Mahometans are clothed in our British manufacture, and the inhabitants of the frozen zone are warmed with the fleeces of our sheep. When I have been upon 'Change I have often fancied one of our old kings standing in person where he is represented in effigy, and looking down upon the wealthy concourse of people with which that place is every day filled.

"In this case how would he be surprised to hear all the languages of Europe spoken in this little spot of his former dominions, and to see so many private men who, in his time, would have been the vassals of some powerful baron, negotiating like princes for greater sums of money than were formerly to be met with in the royal treasury!

"Trade, without enlarging the British territories, has given us a kind of additional empire; it has multiplied the number of the rich, made our landed estates infinitely more valuable than they were formerly, and added to them an accession of other estates as valuable as the lands themselves."

This wonderful tribute to Commerce seems to breathe the spirit of the times when the merchant-adventurers held their heads high, knowing perfectly that of all the so-called "learned professions" their own great profession required keener, quicker judgment, a broader horizon of thought, a nerve and strength of purpose greater than any. They were doing more than all the others to make their country great. Money, profit, followed their undertakings then, as they do now, but the simple seeking for wealth was in no way the chief part of their effort. They all, to a man, let imagination become a vital part of every undertaking, and we find them still "playing the game for the game's sake," long after there was any necessity for the stakes.

Not only to make a fortune, but to surround its accumulation with adventure was then as truly the fashion in life as in story books; and the men whose motto was "nothing venture nothing have" were surely more likely to accomplish really great things than the mere plodders by penurious saving. The good but not very

exciting precepts of Samuel Smiles had not then stamped themselves upon the rising generations. "Early to bed and early to rise, makes a man healthy, wealthy and wise" was a later doctrine—good in its way, but cautious rather than imaginative. It is possible that such advice and all the kindred maxims which accompany it may be beneficial to the great rank and file, but when they permeate the leaders to the detriment of nerve those leaders become commonplace and uninteresting, afraid to venture or to try the new. Just as life is often so much of a gamble, so the making of a fortune possesses almost always in its formula a large quantity of risk. This is not the risk of the lottery kind, which brings success or failure on the turn of the card, nor does it depend on the element of pure chance which so many call luck. But it stakes its future on the judgment of its leader; it bets on its own conclusions. The absolutely sure things in this world are not so interesting, to say the least of it, as those which *may* not win, but which in winning win big stakes. Anything which places a barrier against progress, against walking in any but the old frequently trodden paths, tends to dry up the springs of imagination.

And this faculty of imagination is one of the most useful that the real man of Commerce can possess. It cuts the path through the forest of inexperience upon which judgment can more carefully walk. Imagination urges on. It is the yeast of progress. It pictures the desirable. It is like the architect's plan, while judgment and effort follow and build. No great thing was ever accomplished by the world's greatest men or greatest merchants without imagination.

Samuel Smiles and his rules of saving, of thrift, of following in the footsteps of our fathers, may be well enough, but a long way behind the principles of those great merchant-adventurers who fearlessly planted the flag and established the outposts of the nation's Commerce in the most distant points of the civilized and uncivilized earth.

DANIEL DEFOE

From a scarce engraving in line by Van de Gucht

We may be permitted to quote another great writer—Defoe—who, in 1728, showed his full appreciation of the upbuilding powers of Commerce. He wrote:

"Are we a rich, a populous, a powerful nation, and in some respects the greatest in all those particulars in the world, and do we not boast of being so? 'Tis evident it was all derived from trade. Our merchants are princes, greater and richer and more powerful than some sovereign princes; and in a word, as is said of Tyre, we have 'made the kings of the earth rich with our merchandise,' that is with our trade.

"If usefulness gives an addition to the character, either of men or of things, as without doubt it does, trading men will have the preference in almost all the disputes you can bring. There is not a nation in the known world but have tasted the benefit and owe their prosperity to the useful improvement of Commerce. Even the self-vain gentry, that would decry trade as a universal mechanism, are they not everywhere depending upon it for their most necessary supplies? If they do not all sell, they are all forced to buy, and so are a kind of trader themselves; at least they recognize the usefulness of Commerce, as what they are not able to live comfortably without. Trade encourages manufacture, prompts invention, employs people, increases labour and pays wages.

"As the people are employed they are paid, and by that pay are fed, clothed, kept in heart and kept together.

"As the consumption of provisions increases, more lands are cultivated, waste grounds are enclosed, woods are grubbed, forests and common lands are tilled and improved. By this, more farmers are brought together, more farm-houses and cottages are built, and more trades are called upon to supply the necessary demands of husbandry.

"In a word, as land is employed the people increase of course, and thus trade sets all the wheels of improvement in motion; for, from the original of business to this day, it appears that the prosperity of a nation rises and falls just as trade is supported or decayed."

How truly this great essayist wrote on this vital subject and how excellently he reflected the public mind nearly two hundred years ago! That same branch of human activity to which nations owe their progress and strength

is to-day as necessary as then. It carries with it in this twentieth century the same charm, excitement, and interest, but it is a greater science now than then, made so by increased world-competition. It may also be made broader, because the opportunities are greater.

A generation after Defoe, began the wonderful developments in the iron industry. Necessity for a better product was the mother of inventions in steel. Many books have been written on the romance of this tremendous step, and that, and the application of steam as a motive power, have done more for Commerce than all other forces of the world put together, except the discovery of printing. We of this age have been given tools, with which to work and accomplish, of which our merchant forefathers never dreamed. Machinery—steam—electricity, have made one day's work equal to ten or a hundred, and the experience of all our predecessors is ours if we choose to take it. Man's mind is finite, but it should be no more limited now than five hundred or two thousand years ago. If, then, we enter the lists with the same virility, determination, nerve, and imagination, it would seem that the twentieth century man of Commerce should far surpass the merchants of Phœnicia, Venice, or Augsburg.

II

THE COMMERCE OF THE ANCIENT CIVILIZATIONS

CHINA

HE romance of Far-Eastern commerce is of the same colour in the twentieth century as in the first, or, for that matter, in the twenty centuries before our era began. The scraps of their commercial history which have sifted down through the many centuries are not unlike the experiences of to-day.

Our knowledge of the trading ability and achievements of the ancient nations of the East are meagre, yet we are unwilling to omit them entirely, brief and disconnected as our notes must be.

Let China claim our attention first, though it must be remembered that it is quite impossible for the Occidental to think upon the same lines as the man of the yellow kingdom. It is almost as if we lived upon a planet different from his, and a newer one, for his people have been a nation for a far greater length of time than any of which the West can boast.

The Chinese do almost everything in the opposite way to the Occidental. They saw wood upwards instead of downwards as we do; they scratch the heel instead of the head when perplexed; their night-watchmen indicate their presence to possible thieves by ringing a bell as they go their rounds, and in a hundred ways they perform their duties in a manner most strange to us.

But the Chinese people have been for thousands of years clever traders and money-makers through trade, and the history of early Chinese commerce, incomplete though it is, presents many interesting points. Even to-day the Chinese merchant's word is as good as his bond—an unusual thing in the Oriental—and with a few exceptional periods Commerce has been considered with extreme respect and has attracted the well-educated Chinamen to its inviting embrace.

If China were not the most conservative nation in the world, her position might have been commercially a most dominating one. But China seems to prefer not to change. She has thought of more inventions than most nations have ever known, but she has forgotten them too, though how she could allow such things as movable type or the mariner's compass to be forgotten once they had been discovered is beyond our ability to understand.

It would almost seem as if the policy or proverb, "What was good enough for our grandfathers is good enough for us," must have originated in that part of the world: it is certainly unfortunate that such a maxim should ever have been adopted by the nations of the West.

China still trades to-day over her vast territory—roughly once and a half times as large as the United States—much as she has always done. Her merchants, since man can remember, have had their caravans, their trade routes, and their far-away customers. Japan has fully equipped Department Stores, similar in arrangement and system to those in London. China has and will have none until some man of the West or of Japan organizes one for her.

Nevertheless it must be admitted that though apparently lacking in ambition, China has in the course of time achieved notable results, and a short summary of her development demands a record here.

The beginning of Chinese history is vague and legendary. It is said by some students that the race started

EARLY CHINESE CART
(AT LEAST 1000 B.C.)

from near the Caspian Sea and travelled eastwards to the Yellow River. No sooner arrived there than they began to cultivate the soil. They planted grain and flax, and showed their commercial spirit even from the first by a system of barter, and before long they established fairs, which in all countries have been associated with trade. Their early rulers were mythical beings, and Hwang-ti, the Yellow Emperor, B.C. 2697–2597, was claimed, like his predecessors, to be the offspring of a miraculous conception. He appears to have been the first to take a very active interest in the commercial life of his people. He, or someone for him, devised new methods of reckoning and regulating weights and measures to give a fixed standard to sales. During his reign fabrics were first dyed in imitation of the colours of nature. Utensils of wood, pottery and metal were made, and boats and carts were constructed. His wife Lui-tsu was the goddess of the silkworms, for it was she who first began to rear them, and her husband, the Emperor Hwang-ti, was the first to master the art of winding the cocoons.

Thus originated an industry which spread throughout the land to enormous proportions. The eastern provinces were the most prolific, especially Tchihli, Shantung, Honan and Shansi, which Marco Polo described in the thirteenth century as having "many cities or walled towns and many merchants too therein, for much traffic takes place upon the river, there being a great deal of ginger and a great deal of silk produced in the country." In Tchihli the "mulberry ground having been supplied with silkworms, the people descended from the hills and dwelt in the plains."

In the beginning the Chinese had a proverb, "Do not over-value strange commodities and then foreigners will be only too glad to bring them." Whilst waiting for this desirable advance from without, of which, when it came, they were a long time in taking advantage, the people turned their attention to the rich silk trade within.

An interesting reference to silk cloth occurs in *The Book of History*, compiled by Confucius, when the Chinese ruler made a tour to the sacred mountain of Tai in Shantung and framed regulations concerning three kinds of silk; the eldest sons of chiefs were to have deep red silk, sons of high officers reddish black silk, and chieftains yellow silk. Shantung has been famous as a centre of the silk trade ever since.

The Chinese raised altars to the originator of silk manufactures and to Lui-tsu, or "First Wife," the presiding genius of the silkworm. Round the altar walls was a grove of mulberry trees, and near them a tank for washing the insects. Every year the Empress came to offer sacrifices at the shrine. Provided with a golden implement, while her ladies used silver ones, she helped to collect the mulberry leaves and to feed the imperial silkworms. The industry was celebrated in Chinese literature and the Duke of Tchou wrote an ode, purporting to be the song of an Oriole, which described the silk manufacture in the twelfth century B.C. as follows:

> "In the silkworm month they strip the mulberry branches of their leaves."
>
> . . . . . .
>
> "In the eighth month they begin their spinning:
> They make dark fabrics and yellow.
> Our red manufacture is very brilliant.
> It is for the lower robes of our young princes."

Many other articles of attire were soon to be made of the precious fabric: gowns, girdles, ribbons, braidings, hose and even fish-lines and bow strings. So jealous were the Chinese of their beautiful product that for many centuries it was strictly forbidden to take silk of any kind out of the country. "I should like to exchange what I have for what I have not," said a poetical and enterprising foreign monarch somewhere about 200 B.C. when negotiating for the Empress of China's hand and

heart. He foreshadowed foreign commerce and did in fact obtain silk wares and other goods in response to his offer of camels and horses. About A.D. 120 also a daring princess broke the law. She married a king of Khotan, and because he sent a messenger to tell her his country had no silk she concealed mulberry seeds and silkworms' eggs in her headdress and thus passed the frontier without her treasure being discovered. In her adopted country she began to cultivate the silkworms. But Chinese delegates seeing what she had done told the King that she was harbouring venomous snakes, and the King ordered the "snake-rearing house" to be destroyed by fire.

According to Pliny, the Roman Empire obtained silk from China, and toward the close of the fifth century the Turks ventured as far as the Chinese frontiers, to exchange articles of produce for Chinese silk and wadding. Yet as late as A.D. 1173 the export of silk "to the North" was forbidden, and it was more than four hundred years later that the first European entered the city of Canton, and later still before any Englishman followed his lead.

Yet in China itself the wonderful silk products were distributed through the land almost from house to house. Even the less well-to-do had their silk garments, for cotton spinning was then unknown. But the trader was not always looked upon with extreme favour in early times. At the period of the Han Dynasty (209 B.C.) merchants were not allowed to wear silk clothes nor to drive in carriages, and they were not eligible for official appointments. The people of that far-away time were divided into four great classes: gentleman, farmer, artisan and—at the bottom of the scale—the trader. But gradually the despised class, by virtue of innate gifts, raised itself to a high pinnacle of honour and attained as perfect a mastery in the science of buying and selling as anywhere else in the world.

After Hwang-ti the greatest Emperors of that period

were Yaw and Shun, and the latter (B.C. 2255–2205) possessed a magnetic personality which won the love of all. He mingled with the workmen and worked with them, and so greatly did they admire him that they worked doubly hard and produced better wares in their desire to please him and be like him.

Almost all the rulers of the empire indeed seem to have encouraged thrift. They were wise enough to look to Commerce in no matter how crude a form as the basis of their country's wealth, and to encourage it in every possible way. One old Emperor, long before the time of Christ, in an autobiographical account says, " I deepened, moreover, the channels and canals and conducted them to the streams, at the same time along with Tseih sowing grain and showing the multitudes how to procure the food of toil in addition to flesh meat, I urged them further to exchange what they had for what they had not and to dispose of their accumulated stores. In this way all the people got grain to eat and all the states began to come under good rule."

China invented money and standardized it about 600 B.C. She mined her precious metals—gold, silver, copper and tin, and as early as 1800 B.C. she became acquainted with bronze, and while there are no distinct allusions to iron before about 1000 B.C. we have a careful description by Leih-tze in 400 B.C. of the process of tempering steel.

During the reign of the great Emperor Yu, 2200 B.C., wine is said to have been invented by Ti. He presented his preparation to the Emperor who was much delighted with it, but who nevertheless disapproved of it, for he banished Ti and forbade its use throughout his kingdom, accompanying his decree with the prophetic words, " In after ages this wine will become a great curse."

The porcelain, which became the model many centuries later for our fine wares of the West, China first made and used between 400 and 500 B.C., but glass she bought from Indo-China until about 100 B.C., when

merchants from the north-west borders of India came to the court of the Wei dynasty and taught the Chinese the process.

An important anecdote is related of the Chinese Duke of Tsin, who lived between 600 and 500 B.C. It appears that the Jungs, a barbarian tribe, who were neighbours of the Duke's territory, sent to him a present of tiger and leopard skins. The Duke was undecided whether to accept them or to send an army into the country and take it, but his Prime Minister, who seems to have thought very much as the wise man of this twentieth century would have done, pointed out that it was wiser, less expensive, and more profitable in all ways to be on friendly terms with the Jungs, "For," he said, "they do not cultivate their soil, but they have many things which our people want and can buy from them, and thus our Commerce, which is the basis of all of our wealth, can be improved." The Duke concluded a treaty of peace with the Jungs, and as we read this little page of history we find ourselves repeating that in very many things man reached the limit of his ability a great many centuries ago, for the advice of that Prime Minister was as a matter of fact better than many an adviser of some men in authority would give to-day. In some things men are more intelligent than they were thousands of years ago, but in many they are not. Our ability to think, to discover, to plan and create seems almost to be bound down with great iron chains. We cannot get beyond it. These thousands of years of other people's experiments, of successes and of failures seem to have done us no good, and to have taught us nothing, and the fault lies in our own finiteness, our disinclination to be taught, and our self-satisfaction.

Two hundred years later, an Emperor named Ts'in disliked foreigners so intensely that he proposed clearing them all out of his territory, and was about to do so when his minister Li-sze drew up a list of the commodities of which they would be deprived if he insisted

on carrying out his plan. The Emperor thought again when he realized that he must do without jade from the Kiven mountains; pearls, swords, horses, banners ornamented with kingfisher feathers, drums of the skin of iguana, as well as gold and silver from south of Kiang, vermilion and green paint from west Shuh, pearl hairpins from Wam, earrings, undyed silk cloth, etc. Altogether of the eighteen articles in Li-sze's list, eight were dependent on trade with foreign lands, and the others were obtainable in parts of China, but not in Ts'in's dominion. If "drums of the skin of iguana" and "banners ornamented with kingfisher feathers" seem of little importance in our eyes, the absence of gold and silver would prove troublesome, so one must feel that old Ts'in was wiser in giving in and swallowing his prejudice. Incidentally it may be added that it was through the instrumentality of this same Emperor Ts'in and his Minister that the great burning of Chinese literature took place in 213 B.C. owing to their desire to blot out all the claims of antiquity and to begin history anew with the ruling monarch, a procedure which would not be at all bad if applied to more than one business we know of, to a good many present-day nations, and to almost all political parties.

The philosopher Confucius, who lived about 500 B.C., did much for the commerce of his state, and improved the working conditions of the people. Originally as a local magistrate he decreed that employment should be arranged according to the capacity and strength of the individual employed. He was very severe if work was done badly, and would not allow it to be exposed in the markets. When he was made Prime Minister in 496 B.C. he insisted that all men should practise honesty, and the tricks which had crept into Commerce were done away with. Yet he opposed the making of large fortunes, and said, "If the search for riches is sure to be successful, though I should become a groom with a whip in hand to get them, I will do so. As the search may not be

successful I will follow that which I love." But while this great man wrote in this manner he never ceased to regard Commerce with that respect to which it is so surely entitled. In his broad range of study and teaching, trade, the real wealth and strength of his empire, was applauded and encouraged in every way possible. While the first place in the kingdom was given to scholars, traders were placed above farmers and soldiers, and thus a high grade of intellect and ability was drawn upon for the merchant class. It was dignified by continuous recognition, and he did his utmost to discountenance and to eliminate the pettiness, trickery, and dishonesty which in Commerce, as in every other department of activity, too often attach themselves like barnacles or blood-suckers, and help to destroy the fabric itself. It is probably largely due to the wisdom and far-sighted teaching of Confucius that the Chinaman remains to-day so honest in his business dealings, and whatever we may say or feel about China, this fact remains splendidly to the credit of that remarkable race.

Another wonderful man was Fan-li, who lived about 500 B.C. and whom Terrien de Lacouperie calls the "greatest Chinese merchant of his age." This man occupied the post of Minister to the King of Yu for twenty years, but growing weary of public life withdrew from politics and started a commercial house, with the result that he became exceedingly rich. Fan-li, as we read in another work, introduced the cinnamon tree into China. The trade in fruit was an important one, and the West owes to China the apricot and peach. The peach is first spoken of by Theophrastus in 332 B.C., who suggests that it was originally a Persian fruit: at all events it did not reach Italy until the Christian era.

Tea too from earliest times has been mentioned by travellers in the East. It did not, however, become an article of European trade until the seventeenth century, when it was brought overland across Russia by the Dutch

East India Company. In 1660 a law was passed in England levying a duty of eightpence on every gallon of tea, chocolate, or sherbet made for sale. Pepys, in his diary of 25th September, 1660, after a chat with Sir Richard Ford, "did send for a cup of tea (a China drink) of which I have never drank before." The English East India Company purchased 2 lbs. of tea in 1664 as a present for Charles II., and the first order for its importation by the Company was in 1668, and the first consignment of it, amounting to 143½ lbs. was received from Bantam in 1669.

The Chinese have never been a maritime people, and frequent efforts of many Emperors to make them so have been of no avail, so that the great trade routes of the Chinese merchants extended only west, north-west and south-west on the continental side, and as trade routes remain permanently, unless interfered with by some superior mode of traffic, these routes still exist in much the same condition.

There are indications, writes Giles, of six early routes in China:

(1) From Szetchuen to the Jade country in the Khotan region from 1500 B.C. or earlier in the nineteenth or eighteenth century B.C.

(2) From Szetchuen to Patna in India later and intermittently.

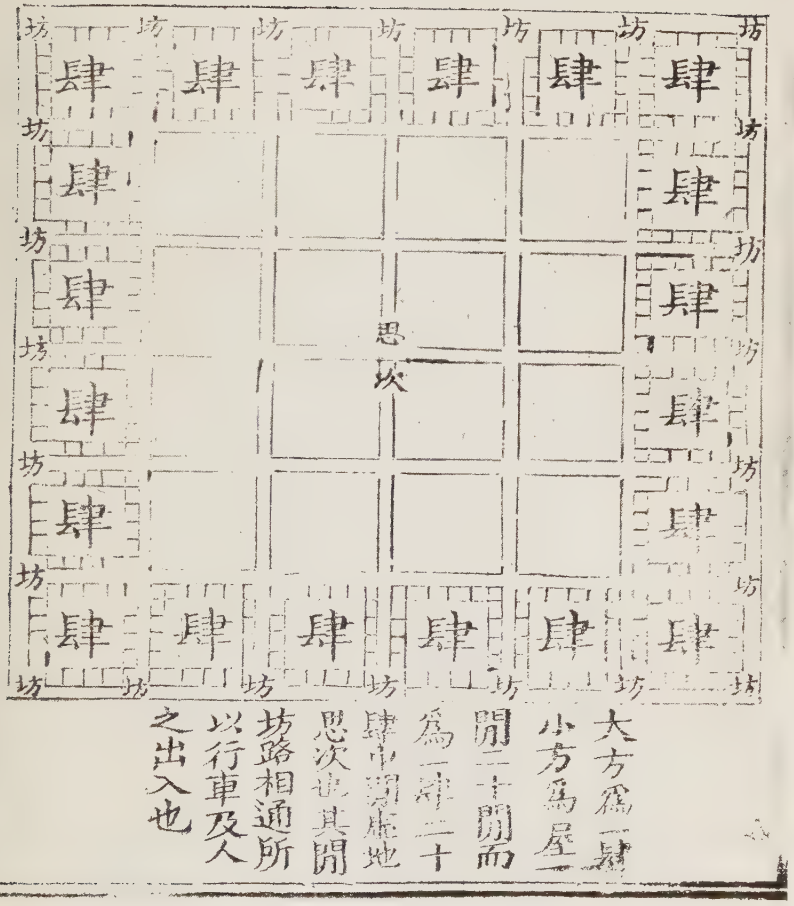
(3) Through Szetchuen from Shenshi to Pegu at the end of the third century B.C.

(4) Through Yumen from Szetchuen to India in the third century B.C. and later.

(5) Through Yumen from Szetchuen to Burma in the third century B.C. and later.

(6) Through Yumen from Szetchuen to Tang King in the second century B.C. and later.

And the writer adds: "It must not be understood that caravans made regular journeys from end to end along these courses. Trade was done by goods being passed



PLAN OF CHINESE MARKET

(1000 B.C.)

From a reproduction in the British Museum

from hand to hand along the way with alterations in price and sometimes deteriorations in value. Occasionally something was heard of at one end of the route which had been told at the other, but mangled and altered as it had passed through the hands of various interpreters. The channels were secondary and imperfect."

But the first Chinaman who is credited with making the entire trip of exploration—who penetrated to the extreme west—was Chang Ch'ien, minister under Emperor Wu Ti of Han Dynasty about 138 B.C. He is described as the "one who made the road." In this year he was sent on a mission to Boetria, but was taken prisoner and held for ten years. After his escape he went to Fergana or Khokand, whence he brought the walnut and cultivated grapes to China and taught the Chinese the art of making wine as he had seen done by the Persians. He is also credited with having introduced hemp into China, and for his many acts of public advantage he was made a marquis. A legend attributes to him the discovery of the source of the Yellow River, which until then was commonly supposed to be a continuation of the Milky Way.

It may be interesting in conclusion to glance over the following résumé, which shows briefly the development of methods from the very early times to about the Christian era, and the introduction of various classes of merchandise during those 2000 years.

From Hwang-ti to the Hia Dynasty 2282–1954 B.C.

2260 B.C.	Pitcher of agate brought from Tan-kiu (Turfan) to Shao-Hao.
1996 B.C.	The West Wang Mu send jade rings and archer's thimbles to Shun.

From the Hia to the Tchou *c.* 1954–1110

1950 B.C.	Yoked or car-horses employed.
1903 B.C.	The Kun-wus, clever craftsmen acquainted with metallurgy, pottery and roof-tiling.

1741 B.C. Kun-wus settle in Wei, introduction of bronze and probably alum.

1743 B.C. Acquainted with iron (barbarian metal) unsuccessful with iron swords.

1800–1700 B.C. Carpets said to be imported from Kui-Su. Jade staple article on north-west.

1712 B.C. Introduction of hemp in S.W. Kansuh.

THE SHANG YU DYNASTY 1686–1111 B.C.

1686 B.C. Foundation of the Shang, i.e. Merchant's Dynasty, of Shang-kiu Merchants Hill (Kwei-teh fu, Honan).

1190 B.C. Horses of Khorasan brought to Tchou ruler. Said to have had red manes, white bodies, eyes like gold.

1130 B.C. Importation of jade from Turkestan.

1110 B.C. Conquest of country by the Tchou who introduced ring money.

WEST TCHOU (CHOU OR CHOW) DYNASTY 1110–770 B.C.

1105 B.C. Routes opened to foreigners. Importations of mastiffs from West Tibet.

1099 B.C. Arrivals of peacocks from Ku-tze (Kutcha). Asbestos cloth from Badakshan.

1097 B.C. Arrivals of Missions from S.W. with Indian monkeys and elephants and pheasants.

986 B.C. Muh Wang (Chou) travels west perhaps as far as Kashgar. He brings back arts of laying metals, paste-gems, also jade from Khotan and amber through Wakhan.

984 B.C. Arrival of Prince of Li Wang-mus with white jade for Muh Wang.

860 B.C. Usual route for jade traffic stopped by unruly tribes, traffic reaches China by a more southern route, entering by north-east corner of Tibet, present Sung-pan route.

EASTERN TCHOU DYNASTY 770–481 B.C.

680–42 B.C. Within twenty years of introduction by Sennakherib of the Phœnician navy in Persian

Gulf, traders from Erythræan Sea (Indian Ocean) arrive in Gulf of Kiaotchow (South Shantung), they established colonies at Lang-ya and Tsih-moh and presently issue first inscribed coinage of China. Influence of these foreign merchants extensive as is shown by joint issues of coin used in trade with cities in N.W. Shantung, S.C. Shansi, East and South-east Shansi and C. Honan. Their ships with a bird's or animal's figure and two big eyes on bow, the sculls at stern, were introduced into Chinese navy. They introduced coinage standards of weight and measure (mina of Karkhemish and Babylonian empan), quince fruits from Media, etc.

641–600 B.C. Foreign sea-traders coming to Shantung differed in character, coming now from India and Persia. Tempering iron with human sacrifice, exchange of painted eggs. Seasamum, mercury.

600–575 B.C. Opening of trade relations between India and non-Chinese west Szetchuen. Introduction into T'su of stamped ingots of useful shapes for currency.

565–525 B.C. Preponderance of Persian influence paramount among Erythræan Sea traders at Shantung.

PERIOD OF CONTENDING STATES 481–221 B.C.

500–450 B.C. Influence of Erythræan traders once again Babylonian and Indian. Itewis introduced into Shantung cementation of metal, con cave metallic mirrors (*c.* 450).

473 B.C. Emporium at Kwei-ki.

450 B.C. Foundation of a colony by two Hindu merchants from Orissa in Ukkalamandala near Rangoon.

423–375 B.C. Trade from Erythræan Sea passed into hands of Indian mariners who came south of Sumatra and Java, bringing mother-of-pearl,

large pearls from Persian Gulf, yakut stones of Badakshan. The fable of the Fortunate Islands.

334 B.C. Importation of jade from Yuman Nurma into Hupeh by south-western route.

327 B.C. Mow (Exchange) near Ningho Emporium of foreign trade.

325–310 B.C. Tung-yeh presents Fuhtchou emporium for foreign sea trade. Imports to these places: rhinoceros horns, ivory, carved vases, asbestos wicks, yakut rubies, etc. Transhipments for northern ports made at Tung-yeh.

280 B.C. Commercial intercourse with Hindu merchants of Pegu facilitated by expedition of King of Teen. In South-West Hunan bearded merchants arrive with spices, mint, palm, etc.

237 B.C. Jade imported in north-west.

CHINESE EMPIRE 221 B.C.

201 B.C. Kwei-ki falls into hands of Chinese. Erythræan Sea-traders make Tung-Yeh their chief station. Import big pearls from Persian Gulf and sugar-cane from India.

195 B.C. Traders known as yellow-fingered. Their home was Hormuzia near Persian Gulf. They take jasmine from Persia and Sambac from South India to Hoppu connected with inland market to Hengshan.

179–150 B.C. These traders establish pearl fisheries at Tchuh-yai Isle of Hainan.

164 B.C. Jade cup (from Turkestan) presented to Emperor Han Wen.

140 B.C. First arrival in South China of Tarshish merchants with red corals from Mediterranean via Recken Ailana and Red Sea.

The following list of articles shows in a condensed form the chief articles dealt in by Chinese merchants, locally and for export.

INDUSTRIAL AND AGRICULTURAL PRODUCTS IN THE CHINESE EMPIRE

Silk	Salt	Coal
Tea	Copper	Silver
Sheep	Goats	Yaks
Wool	Camels	Cotton
Paper	Leather	Fire crackers
Deer skins	Hemp	Walnuts
Nut gall	Hides	Wax
Steel	Eggs	Bristles
Rhubarb	Tobacco	Musk-deer
Rice	Opium	Goat skins
Wheat	Brick tea	Sugar
Quicksilver	Antimony	Pith
Timber	Pigs	Aniseed
Oil	Bean cake	Peas
Fruits	Cloth	Ivories
Indigo	Varnish	Porcelain
Joss paper	Melons	Cuttle fish
Oil seeds	Fans	Egret feathers
Ground nuts	Grass cloth	Feathers
Preserves	Camphor	Oranges
Umbrellas	Human hair	Rush mats
Medicines	Bamboos	Green tea
Hats	Pottery	Fire-works
Lamb skins	Jade	Barley
Millet	Vermicelli	Straw braid
Lace	Maize	Ginseng (drug)
Melon seeds	Ships	Cassia
Paper fans		

Area of China 1,532,000 sq. miles.
Area of the Chinese Empire 4,277,000 sq. miles.

PHŒNICIA

The world has not always been as keenly alive to the value of history as it is to-day. To us, accustomed to the lavish wealth of detail to be found in the records of the last few centuries, those of earlier ages seem woefully inadequate as we search in vain for information as to the lives and acts of those people who built and maintained the empires of the Far East which flourished thousands of years before Christ.

Of China, for instance, we know much, but our knowledge is far from complete. We have all looked upon China until very recently as a nation soundly asleep and hardly capable of awakening; yet China must have made much history in Commerce, and the Chinese merchant still stands at the head of the list of Oriental traders. He is scrupulously honest; his word is as good as his bond; he is bold and full of big ideas. He is often very rich, though the impossible system of taxation, or rather of semi-confiscation, which has prevailed in China, has made it necessary for him to hide his wealth lest it be taken from him. It is not difficult to look ahead and see the Chinese merchant becoming again a great power in Commerce. But of his very early commercial history we know practically nothing. We see in the British Museum an example of Chinese printing from movable types executed hundreds of years before Gutenberg and his contemporaries gave this, perhaps the greatest of all discoveries, to the world. We read that the Chinese also discovered gunpowder, the making of paper and the mariner's compass. But they seem to have failed to make the most of their discoveries, and the world was allowed to forget these and probably many other equally important things of which we have no record, until some more enterprising or tenacious people came along to rediscover them for us.

Nor are we able to find many friendly pages in Indian

From an engraving in the possession of the Author

history upon our subject. We have read that India became immensely rich: that the riches which she accumulated did much to establish the wealth of the cities of the west. But of the methods and lives of Indian merchants we know very little. So too the lives of the rich traders of Babylon, of Persia, and of Mesopotamia are surrounded by the mists of time through which no historian has enabled us to look.

Yet there is one great race among these ancient peoples which stands out clearly as a race of traders and builders of Commerce, and fortunately Herodotus and other contemporary writers have recorded for us many of their deeds of progress and daring. These were the Phœnicians, no doubt the first great systematic traders in the world. They were also the first metallurgists; they were wonderfully successful inventors or adaptors of the inventions of others; the boldest merchants and the finest colonizers who eventually claimed as their field of activity the whole of the already ancient East, and the barbaric West as well. Rawlinson tells us of their moral characteristics that they had, first, pliability combined with iron fixedness of purpose; secondly, depth and force; thirdly, a yearning for dreamy ease together with the capacity for the hardest work; fourthly, a love for abstract thought; and, fifthly, religiousness together with an intensely spiritual conception of the Deity—characteristics which are also said to have especially distinguished the Arabs and the Jews.

This wonderful race claimed an antiquity of 30,000 years. Their original settlements were "founded by the gods themselves," as their history says, in the Persian Gulf, then they migrated to the Eastern coast region of the Mediterranean Sea and named the narrow strip of shore—in all only about 200 miles long and from 10 to 35 miles wide—Phœnicia, or "The Land of Palms." There, some three thousand years before Christ, they built Sidon, "The City of Fish," and Tyre, "The Mistress of the Sea"; and there they early won their

far-famed supremacy in the art of dyeing fabrics. The blue Mediterranean off the Phœnician coast, especially between Mount Carmel and Tyre, abounded with two kinds of shell-fish capable of furnishing an exquisite dye. These molluscs had a receptacle or sac behind the head in which a very minute portion of a colourless creamy fluid was contained, having an odour as of garlic. If it was carefully extracted by a hook or pointed pencil and applied to wool, linen or cotton, and the material then exposed to a strong light, it became successively green, blue, red, deep purple-red, and, by washing in soap and water, a bright crimson, this last tint being permanent. The process was known to many people, but the Phœnicians excelled them all, and found in their dyed cloths, their glass ware and pottery, their vessels of bronze and precious metals, the sure foundations of a great trade.

From their small base on the Mediterranean they travelled the seas into the most remote regions, carrying their trade and commerce where no one had heretofore dreamed of its being possible to penetrate. They navigated, not with the undiscovered compass, but by their knowledge of the stars. No voyage was too hazardous to be undertaken merely on the strength of some rumour of rich treasure in a distant land. Because some story had been repeated in their market-places, they sailed west through the Pillars of Hercules (now Gibraltar) and across the Bay of Biscay to discover the Scilly Isles, or, as they called them, the Tin Islands and the neighbouring coast of Cornwall. And so watchful were they lest their discovery should become common property that a Phœnician captain, finding he was followed closely by a Roman ship anxious to seek a safe landing on these tin-producing shores, foundered his vessel on the rocks rather than disclose his secret. Truly the Phœnicians looked only for opportunity and considered obstacles and dangers as but the greater incentive. To them, to learn of treasure was to win it.

HORSE CARRYING BLOCKS OF TIN

From an engraving in the Museum at Truro

BLOCK OF TIN (WEIGHT 159½ LBS.)

ASSUMED TO BE ONE OF THOSE USED IN TRADE BETWEEN THE MEN OF CORNWALL AND THE PHŒNICIANS OF PREHISTORIC DATE

Found by dredging at the entrance to Falmouth Harbour about 1823 and now in the Museum at Truro

They found their way, through the Dardanelles, along the Euxinus (the Black Sea) to the frozen borders of Scythia (now Northern Russia). Through the Arabian and Persian Gulfs they sailed to find rich trading ports in India ; and entering the Southern Ocean they doubled the Cape of Storms (now the Cape of Good Hope) and circumnavigated Africa two thousand years before Vasco da Gama. An American writer even thinks it possible that they reached California and gave Phœnician names to Islands in the Pacific.

Carthage, their colony in North Africa, was primarily a trading centre, surpassing even the parent cities of Tyre and Sidon in its manufactures, and it became a great naval power only in self-defence.

Their colony, Tharos, sent them gold. From the rich mines of Tarshish they brought silver ; and when the Pyrenees were accidentally set on fire by shepherds so that the earth oozed silver that ran down in streams of molten ore, the Phœnicians bought the metal from the inhabitants, who were ignorant of its use, by giving trifles in exchange. And they are said to have loaded their ships so heavily that they even cut off the lead from their anchors and made use of silver instead. Cyprus yielded them copper, Cilicia timber, and, according to Heeren, the Phœnician sailors scoured the coasts of the Baltic in search of amber—a commodity dearly loved by their women, who loaded themselves with necklaces, bracelets and nose jewels, passing on their love of ornament to the Hebrews.

Thus the people of Phœnicia amassed treasure from all over the world, conquering by peaceful, tactful trading, rather than by the sword. The little shiploads of mariners went out alone, bound for some wild country, heard of but never before visited ; peopled by barbaric and perhaps treacherous tribes who often regarded their visitors as succulent food sent from heaven. Each of the sailors was taught to look to his captain, but also to depend upon himself. How infinitely more courageous

to win thus, as win they did, than through the combined power of an army whose only thought was to kill and destroy, and how much greater the final profit and how much less the cost.

For these Phœnician navigators seem to have been gifted with a special power to establish friendly relations with whomsoever they approached. They were derived from the Semitic races, and were friendly with the Jews —as proved by the fact that Solomon chose wives from amongst them ; with the Arabs and with the Armenians who supplied them with horses ; with the Gauls, the Sards and the rude Scyths. No tribe seemed too primitive or too vicious to understand their attempts at negotiation, and none who were approached seem to have declined to trade. They carried on a lucrative " dumb commerce " with the shy tribes of tropical Africa, where we are told that the method of traffic was as follows: The Phœnicians unloaded their wares, laid them on the seashore, then, lighting a fire, retired to a distance. The timid natives would see the smoke and follow its lead until they reached the goods. They would examine them, place small heaps of gold dust beside them and then withdraw. The merchants returned and examined the ore, and, if satisfied, would take it and leave the goods in exchange. If not, they left everything as it was, built more fire and again retired. The natives would return and either place more gold dust with the other or take their ore away.

But this wonderful people whose own country covered only some 3000 square miles—an area equalling a couple of English counties, or about one-third of Massachusetts —were not only navigators, they traded inland as well, and sold their products to all countries to the east and north and south. Armed caravans of merchants started from Tyre at regular seasons of the year carrying provisions sufficient sometimes for a year, and, provided with money as well as goods, but without maps and with no regular highways to follow, plunged into the heart of

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CANADA

Asia to trade. Imagine these keen, clever merchants camping outside the gates of some Oriental city and inviting its people to visit this moving fair of merchandise; people whose language they understood not, whose common interpreter was gold. What adventures every day brought forth! What real romance they must have had to relate when they returned home!

And the Phœnicians were always on the alert for "orders." We read that when it was learned that Solomon was about to build himself a palace in Jerusalem, Hiram, the King of Tyre, assumed at once the post of chief of the department of Commerce and sent a friendly embassy to the Israelite king with a present of cedar trees from Lebanon. He said that his country could supply carpenters and masons, and offered to superintend the construction. The offer was accepted, and so well was the work done that later, when Solomon inherited the empire from his father and decided to carry out on a magnificent scale his father's design to build a temple to Jehovah, he turned to his friend and former contractor, Hiram, begging him for workers in fine bronze, in silver and in gold, for artisans and even for the architect himself; and it was to another Hiram, "the master-workman," a man of Tyre, that Solomon owed the success of his great undertaking. The two pillars, Jachin and Boaz, which reared themselves in front of the triumphal porch to the height of fifty-two and fifty-three feet, were modelled apparently on the lines of the sacred Phœnician metal pillars, one of which, coated with gold, had recently been set up by King Hiram in his capital. Thus, the details were all conceived and carried out by the Phœnicians, and the temple was essentially a Phœnician building.

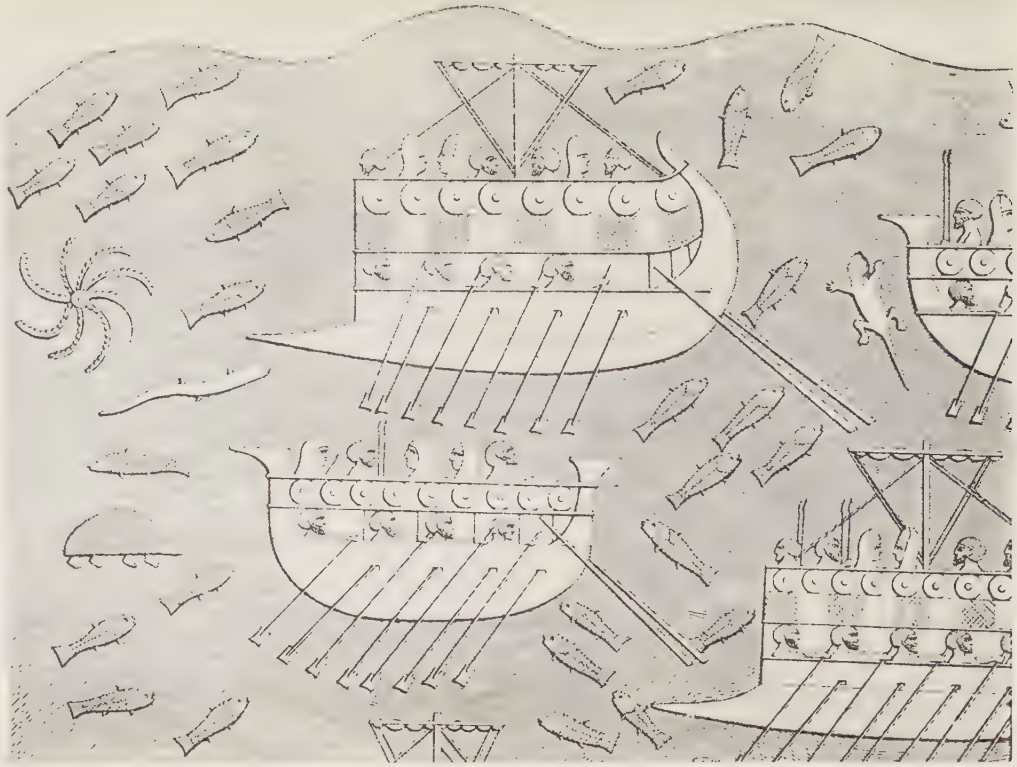
They built a fleet for Semiramis; and Egypt was dependent upon them for her carrying trade.

And throughout all their wonderful history during the five-and-thirty centuries that the commercial pre-eminence of Tyre was acknowledged, this great people,

these princes of commerce, held the respect and goodwill of their customers. They won their great reputation by giving always full weight and full measure, and by producing qualities which the entire trading world accepted as the standard, striving in competition to approach them, since none felt it was possible to excel. A market once opened to them became theirs for ever. It was theirs by right of commercial conquest, held by tact and fair dealing, and not by war and threats of war. It was held without distrust or question, and such was the condition of things between 3000 B.C. and A.D. 500. Surely we modern merchants and our twentieth-century nations, cultivating our trade relations so assiduously, can with profit take many pages from the book of Phœnician history.

No other nation has lasted so long as this. Of no other people do we read that their virility continued for 3500 years; and virility, the driving force that urged these first great merchants on, is as valuable an asset to-day for a man, a family, or a nation, as it was then. Too often wealth quickly brings a cessation of interest. Too often the game loses its zest. To think is an effort; to plan, to build, to accomplish is an effort and a risk. Why work? Why scheme? Why bother? We find such a line of argument everywhere, but although the Phœnicians became enormously wealthy we see for a long time no diminution of their efforts. Their great men grew old and died, but others stepped into their places. They traded because they loved it. They played the great game of Commerce in a big way, and no matter how many counters they won they were never willing to stop. They were making their lives count. They were building up the glory of their state, the strength and influence of their nation, their own fortunes and that of their co-workers; and everyone who called himself a Phœnician inherited the advantages of this world power.

Tyre itself was rich, strong and influential, as may be seen from Isaiah's description of her about 700 B.C.



PHŒNICIAN SHIPS

(ABOUT 700 B.C.)

Showing warship and merchant ship. Note the toothed ram on former. From a relief in the palace at Konyunjik built by Sennacherib, reproduced in Layard's Monuments of Nineveh, 1849

The following free translation is by an early student of the Bible:

" Be silent ye inhabitants of the island,
Which the merchants of Sidon that pass over the sea have replenished,
The corn of the Nile on the broad waters,
The harvest of the river was her revenue.
She was the mart of nations. . . .
She was a joyful city.
Her antiquity was of ancient days. . . .
She was a city that dispensed crowns,
Her merchants were princes,
And her traffickers the honourable of the earth."

ISAIAH XXIII. 2–8.

And in the twenty-seventh chapter of Ezekiel is a graphic description of the import and export trade of Tyre, the city of beauty " that dwells at the entry of the sea." Both by land and water the trade flourished in " wheat of Minnith," " wine of Helbon " and " white wool from sheep fed upon the hills of the Antilibanes," and " the ships of Tarshish were the caravans of merchandise."

We can safely assume that those who ruled this prosperous country encouraged trade, and that Government was considered not as a master nor a tyrant but as a co-worker with Commerce. If we could see through the centuries of time we should no doubt behold the great merchants as the chief men of the empire, recognized as the builders and sustainers of the State. It would be of infinite interest to read of the home life of these great men. It is difficult to associate it with anything but refinement, culture, breadth of ideas, good judgment and high ideals ; but by such records the historians were, unhappily, not attracted.

But Time, which is the final conqueror of all things, vanquished even the Phœnicians at last. Their commerce, and, as a result, the power of the empire, reached its zenith about the time of the rise of the Chaldean power in Babylon. The Egyptian rule ended 1100 B.C., the

Assyrian five hundred years later. In 333 B.C. Alexander the Great put an end to Persian rule and entered Phœnicia after the battle of Issus. Had he undertaken his campaign before the canker of laissez-faire had entered the Phœnician mind and character, history would have been written differently. Even after this blow they rose and gained fresh laurels by the exercise of that sound method of trading which was inborn and intuitive with them. But the nation as a great leader was slowly dying, and, weakened by thousands of years of great wealth, lost its supremacy to one whose virility was greater than its own; so that about six hundred years after Christ, after a wonderful and unparalleled record of thirty-six centuries, the trade of the world found new channels, leaving barren and desolate the ancient ways upon the shore of Tyre.

ASSYRIA AND BABYLONIA

The great territory lying east of the Mediterranean from which civilization seems to have sprung was once the richest part of the world. Its history goes back further than that of any other country, for even the Chinese are supposed originally to have gone East from a district near the Persian Gulf.

This territory we may call Assyria, but under various people it, or parts of it, was called by many different names. Rawlinson suggests that the original Garden of Eden was here in the neighbourhood of what was afterward Babylon, and from this part of the world sprang those wonderful races of traders—the Jews, the Phœnicians and the various Semitic tribes.

Perhaps, in this brief outline of the commercial life of the various periods and people of the world, this vast territory may be narrowed down to Babylon as typifying the whole.

Babylon was one of the newer and younger cities of that land, for although it had previously existed under

other names it only became the capital and chief city after the conquest of Khaunmuragas, and as such it remained until on the defeat of Suzub it was "pulled down, dug up and burned with fire, the town and the palaces, root and branch, and its ruins only remained."

Under Nebuchadnezzar and his successors it became great in size and in commerce, and while authorities differ somewhat as to its area it is usually reported as covering about 200 square miles filled with houses three or four storeys high, beautiful palaces and wonderful gardens, among which were the famous hanging gardens. These were one of the seven wonders of the world, and Herodotus gives their height as 335 feet with a width of 85 feet. Building stone was not at hand, and bricks made of sun-dried clay were used, but the entire city was on a scale of grandeur which makes the modern reader feel a little less awe for the cities of the present day.

The colossal wealth required to produce such a city as this was gained chiefly by agriculture and commerce. The soil was so fertile that historians assure us that farmers raised several crops a year, each of fabulous richness. But the people themselves were commercial by nature. They loved to trade; to risk much and possibly to gain much.

By 1100 B.C. the trading spirit had become the dominant factor, and dominant it remained as long as the city lasted. Articles of necessity were the first to be sent for sale to other countries, and other necessaries were in turn brought back by the caravans; but as commerce strengthened, articles of luxury found their way into the packs which the camels carried. By about 600 or 700 B.C. the highest point of trade was reached. The maund of Carchemish became the standard of weight and Aramaic the common language of trade. The rate of interest for money was 4 per cent, and bars of iron and other metal, or merchandise itself, was the medium of exchange, though one reads occasionally of coined money. Houses were let as they are to-day. Deeds

which conveyed them were carefully made out, and the inventory was quite on modern lines.

These wonderful merchants traded as far as India on the East, and competed with their neighbours, the Phœnicians, in the Mediterranean Sea, even attempting to reach the tin-trading people of Cornwall.

Babylon was a market-place for wares from Arabia, Syria and Iran, and dealt enormously in metals, grains, wool and textile fabrics, especially carpets and muslins. From Persia, Babylonian merchants brought pearls, raw cotton, and, as Herodotus says, "wood for walking-sticks." From Armenia came wine, gems, emery and most of the stone used in building ornamentations. From Media lapis lazuli, gold and ivory; and from Phœnicia many objects of luxury. But this is not the place to dwell too long upon this country and its people. Its history, such as we know it, is fascinating in the extreme, but it has been told elsewhere. Its wealth almost dazes one. Its energy sends the blood faster through one's veins. Its enterprise, its determination to progress, to perfect its city, and its love of commerce *per se* are all delightful. The soil was as rich and productive as the world has ever known, but the great wealth was the result of Commerce, that mother of riches and power, which is always ready to give a share of them to the merchant who comes to her with determination, with sound principles, with judgment and courage.

GREECE

While ancient Greece was raised to an unapproachable place in history by her orators, writers, philosophers, statesmen, architects and sculptors who established standards which all the experience and ability of the twentieth century have failed to equal, or at all events surpass, Greece was nevertheless a commercial state, and her wealth came to her almost entirely through the medium of trade. Her territory was small, her productive soil not

PACK CAMEL

plentiful; her merchants were not aggressively enterprising and adventurous like those of Phœnicia and afterward of Venice. They did, however, develop her wealth, and from their ranks sprang many of the great thinkers whose names have made her history so illustrious. Plato, in describing the ideal Republic, has a good deal to say about the "Organization of Trade."

"Let us for argument's sake," he begins, "form a city from the beginning. The first and greatest want is provision of food, the second of lodging, the third of clothing. One shall be a husbandman, another a builder, a third a weaver. We must add a shoemaker, and because they need many implements, carpenters, smiths and other workmen, and also herdsmen, shepherds and graziers, in order that both the husbandmen may have oxen for ploughing, and the builders by aid of the husbandmen may have cattle for their carriages, and the weavers also and shoemakers hides and wool. And then the city wants many of each kind of workman, and servants besides to import the several articles; and these are merchants, are they not? Yes, we shall want merchants then. And if the traffic is carried on by sea it will want many others who are skilled in navigation.

"In the city itself, how will they exchange with one another what each has produced, for which purpose we formed a city and established a community? They will do so by buying and selling. A market-place and an established coinage as a symbol for the purpose of exchange must spring up from hence. If the husbandman or any other workman bring any of this work to the market, but does not come at the same time as those who want to make exchanges with him, will he not, while sitting in the market, be unoccupied at the trade? By no means, for there are some who devote themselves to this service, and in well-regulated cities they are chiefly such as are weakest in body and unfit for any other work. These then should attend about the market to give money in exchange for what people wish to sell, and goods in exchange for money to such as want to buy. It is this want that provides our city with a race of shopkeepers; for do we not call those shopkeepers who sit in the market and serve both in selling and buying? whereas such as travel to other cities we call merchants."

We find little reference to the commerce of Greece

before about 1000 B.C. Such trade as existed was chiefly in the hands of the Phœnicians who brought their beautiful cloths and other productions and traded them for timber and metals. But as Greece grew stronger she developed her own merchants, or rather the development of her merchants caused Greece to grow stronger. She followed the fashion of the time, and established colonies in many places on the shores of the Mediterranean, even as far as what is now Spain, and on the site of the present Marseilles she created a commercial centre great for those days.

The Greek colonists preferred to deal with their own people, and manufacturers at home of various kinds of necessary goods began to establish small factories and workshops. They made articles of bronze, clay and wool, and as their production increased, sought markets among other peoples of the world besides their own colonists. Thus we see the commencement in the most natural way of Greek commerce, and by about 500 B.C. it had reached considerable dimensions. Miletus was the chief commercial city. Syracuse and Corinth had also won their way to recognition as commercial centres, but when Greece proved herself able to resist the Persians in war, her position in all ways, commercial and political, was enormously improved, and for the following two centuries she became a great power in the world's trading. The rocky and sterile little island of Ægina became for a time Greece's most important distributing point, and we read almost as a fairy tale of her amassing "fabulous riches" through her men of commerce. But Athens, which had during these many years been growing stronger and richer, was jealous of Ægina, and history tells us that she actually sent an armed force against the island and confiscated her trade—a romantic episode which is more interesting than fair.

At all events, Piræus, the seaport of Athens, from that time became the leading commercial port of the Greek world, and held that honourable position until

PRIMITIVE GREEK CART

GREEK MERCHANTS BUYING CLOTH

conquered by the Macedonians about 300 B.C., and even after their country had been conquered the Greek merchants and navigators were energetic and resourceful, and continued to push their various businesses in a successful manner. They shipped to purchasers wherever they could find them precious metals, marble, manufactured wares, such as pottery, and the products of the soil, such as oil and figs.

Athens bought wheat from the people north of the Black Sea, and from Egypt and Syria. She also imported salt fish and any article of luxury, because as wealth comes to a nation, the love of luxury comes with it.

"What delicacies there are in Sicily," wrote one, "or lower Italy and Cyprus, or Egypt, or Lydia, or on the Pontus, or in the Peloponnesus, or anywhere else, they are all brought to Athens by her control of the sea."

At the time of Alexander's conquest of Greece but three cities on the Mediterranean contained as many as 100,000 people—Athens, Syracuse and Carthage; but another city, Rhodes, deserves mention, not because of her size but because of the wonderful energy and ability of her people in all commercial matters. Her navigators were daring and skilful, her mercantile laws were models of excellence, her business principles were high, and her methods so excellent that rich merchants from other countries sent their sons there to learn the science of trade, and she herself became rich and powerful.

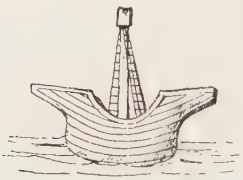
It is not without interest to read that the father of Demosthenes was a sword-maker, the father of Socrates owned a flute factory, Lysias and his brother owned a shield factory, employing one hundred and twenty slaves; the mother of Euripides was a grocer, and we are told by one writer that Solon, the law-giver, was himself a commercial traveller. After he had framed his famous code he left Athens on a ten years' journey, one object of which was to sell his oil and thus make an income, the other to give the people time to try his laws thoroughly and to test their worth.

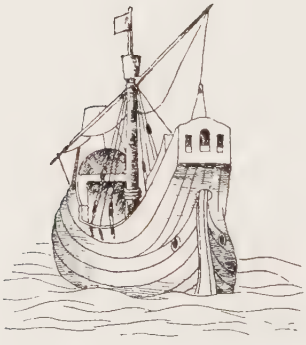
III

VENICE

S with Tyre, so with Venice, trade was the paramount interest and vehicle of all achievement; and with both the fame of the individual was so entirely merged in that of the community that any attempt to chronicle the doings of her merchant-adventurers trespasses inevitably upon the history of the state. Each merchant worked consciously for the city and saw his success enhance its glory. Trade, and trade alone, raised Venice to her high position as the capital of a proud republic. Through trade she became the mistress of the world's commerce, and held her supremacy triumphantly against all comers for centuries, until the geographical discoveries of her rivals, the Portuguese, diverted the trade of the Indies into other channels. No record, however brief, of the romance of trade could be complete that did not grant some little space to the commercial history of this wonderful city.

The beginnings of Venice date from the fifth century A.D. when the raids of the "Scourge of God," Attila and his Huns, drove many of the inhabitants of Verona, Treviso, Padua, Piacenza and other towns of the Romanized province of Venetia to seek safety in less accessible places. They had not far to seek. The Po and several other rivers which flow from the Alps into the Adriatic bring down a mass of silt which spreads in bars that in their turn enclose vast shallow lagoons. Amidst these marshes of slime and sand are numerous





TYPES OF MERCHANT SHIPS

islands, some of them of considerable size. Here came the refugees. The people of Altinum built Torcello, which may be regarded as the mother city of Venice, and supported themselves by fishing, by collecting salt and by crude manufactures and a local commerce. Even in 523 A.D. we find Cassiodorus, the secretary of Theodoric the Great, urging them not to fail to transport the tribute of honey, oil and wine to Ravenna from Istria. Their boats, he told them, were like horses on the mainland; and they, instead of scythe and plough, handled cylinders, and "in their salt produced a merchandise more desired than gold, so that all the fruits of the earth were at their command." Narses the Eunuch, in return for help in transporting his troops, sent them Byzantine master-builders who built them the church of St. Theodore on the spot now covered by the cathedral of St. Mark. Longinus claimed their allegiance to the Emperor in Constantinople, but this they conceded only in return for trading rights, on condition that no formal oath was ever exacted. They were beyond the reach of the barbarians who had no boats; they were forgotten by the Romans and their conquerors the Ostrogoths, and they maintained their independence under tribunes chosen to represent each separate island or community. The natural jealousies between these tiny states developed into anarchy, but the crisis was met boldly by the wisdom of the Church. The Patriarch of Grado called a general meeting at Heraclea in 697 A.D. and proposed the election of a chief who should hold office for life. His suggestion was approved, and the first doge or duke was invested with the sovereign powers that endured for eleven centuries, till Napoleon thundered at their gates in 1797.

The first doge, Anafesto, seems to have had a difficult task in preserving the political equilibrium of the young republic between the powers of the East and West; but one of his first acts, after securing internal peace, was to conclude a treaty with Liutprand, King of the

Lombards, defining the boundaries of Venetia and obtaining, in return for an annual payment, rights of wood-cutting, horse-breeding and trading on the mainland. And in the years that followed, with war and rumours of war on every side, the Venetians proved themselves swift to seize any opportunity that offered for extending the trading privileges that they knew to be vital to their existence. When Charlemagne descended like a thunderbolt upon Pavia they accepted his invitation to guard the captive king, Desiderio, and possibly found their safety in compliance, for Charlemagne invariably became master wherever he chose to attack. But if compliant in this respect they were anything but subservient to his claims to rule all Italy. They were at that time inveterate slave traders, selling Christians to the pagans in Africa, and they carried on their traffic in defiance of his express edict against it, until forcibly expelled from their trading centres in Ravenna and the Pentapolis. Pepin, the son of Charles Martel, decided in 809 to press his dominion, and closed in upon them from land and sea. The Venetians concentrated their force at Rivoalto, or Rialto, their main island, and after a desperate struggle that lasted for six months, emerged victorious. Pepin withdrew, restored captured territory and reaffirmed all ancient trading rights and privileges within his dominions.

Concentration had paid well. United by victory, the Venetians set about confirming the security of their position upon Rialto. They built forts and churches and a ducal palace, and became possessed, in 827, of the precious relics of St. Mark the Evangelist, by a pious trick carried out by certain of their traders at Alexandria. A rich crop of legends attends his adoption as their patron saint His image, or that of his lion, was blazoned on their standards and impressed on their coinage, and the shout of their populace at home and of their armies in the field was henceforward "Viva San Marco!"

By slow degrees and sure, the expansion of trade raised the small band of exiles and fishermen into a rich, powerful and independent nation.

There was a demand in Northern Europe for finer stuffs, more perfect arms and armour, for jewels, and, above all, for gold. The Venetians rose to meet the demand. They sailed to Constantinople, a city rich with accumulated wealth from India, and bought in small quantities almost at their own price, for these were the dark ages and trade was at a low ebb. Yet even when they had the goods their markets were still to seek. The intrepid merchants studied the passes of the Alps, and learned of the points where agencies might best be established. They organized caravans and threaded their perilous way across mountains and rivers, through countries often hostile and always frequented by barbarian robbers who knew no right but might; pirates whose boats were fast running horses, whose sea was the impenetrable forests of the slowly developing north, the mountains of Switzerland, the Black Forest and the Rhineland. But to the true merchant obstacles exist only to be overcome, and the Venetians became regular visitors at all the fairs of Europe and established themselves in Augsburg, Nuremburg and Bruges. Imagination led the way, and their wonderful nerve and energy enabled them to accomplish their ends. The victories of the modern playing field fade into insignificance before the indomitable pluck and the staying power necessary for ventures where the risk was a man's entire capital, and often his life as well, and the reward, not a silver cup or shield, but a fortune perhaps doubled, and the reputation of an explorer.

From Bruges, as an intermediate port, they traded with England, and are said to have bought wool, cloth and tin on credit, and, selling them in Bruges for ready money, five per cent under cost price, to have derived their profits from the interest of the money during the interval. An extraordinary way to make money, but if

they were satisfied we have no reason to find fault. Nor was their European trade without influence upon their art at home. From Bruges Van Eyck's medium, whether of oil or, as is now thought, of emulsion of egg, came as a revelation to the Venetian artists who had hitherto worked in *tempera* alone; and Giovanni Alemanni (the German) crossed the Alps to become the master of Vivarini.

Thus Venice became the emporium, not only of Italy but of Greece and all countries bordering on the Mediterranean, and she stood between Europe and the riches of the Levant. The Emperor Rudolph confirmed her right to coin her own money. Her commercial boycott brought Istria to its knees. Harassed by pirates from Narenta, Doge Orseolo II. set forth in 997 with a great fleet to patrol the Adriatic, and returned as the lord of a protectorate that included Dalmatia. "Slavs and Croats were cowed and hostages given for future good behaviour, and the woods of Curzola made Venice independent of Italy for timber. It was the first stage in her development as a European power."[1] The young Emperor Otho III., hearing of these exploits, paid a mysterious visit to the doge, arriving at night and wandering through the city in disguise. His concessions, however, were valuable. He relieved Venice of the annual token of vassalage, a robe of cloth of gold, that had begun to chafe the growing pride of the citizens. He granted many exemptions and permission to occupy certain neighbouring ports. Honours too came from the East, and an invitation to proceed against the Saracens gave the Doge an opportunity of wiping out the scandal of an earlier trade in munitions of war with that infidel nation. His success in saving a Greek army from destruction was rewarded by an alliance between his son Giovanni and the niece of the Byzantine Emperor. In the connection with Constantinople—a connection based first and foremost upon trade—we find the explanation

[1] From *The Story of Venice*, by T. Okey. Dent. 1905.

EUROPE IN THE XIIth OR XIIIth CENTURY

From a reproduction of coloured engraving in possession of the Author

of much of the art and architecture of Venice. The Byzantine-Romanesque palaces of the merchant princes are still the glory of the Grand Canal; St. Mark's, ready for consecration in 1094, was Byzantine in form until the later outbreak of Gothic pinnacles obscured its original design; the rich mosaic decoration of the interior was also purely Byzantine, until the misguided restorations of the sixteenth century altered its character. And it is a significant sign of the high position of honour accorded to trade in the city that the main portal of its cathedral should have carved upon the first archivolt scenes representing hunting and trading (possibly the social development of the human race), on the second the labours of the twelve months, and on the third or main archivolt the handicrafts of Venice itself.

Constantinople was wealthy and held the key to the East; her people, however, were sluggish and unenterprising. But the race is to the swift and the battle to the strong, and in their slackness the Venetians found their golden opportunity. In return for further services, at the end of the eleventh century, the Greek Emperor Comnenus granted the ships of Venice a free entrance into all his ports and allotted warehouses for their goods; he founded a Venetian quarter in Constantinople and naturalized the residents; and he compelled the merchants of Amalfi to pay an annual tribute to the cathedral of St. Mark. About this same time a fair was established in honour of that saint, which mingled devotion with commerce, and attracted so many visitors to Venice that the national coffers were well filled. So lucrative did the institution prove that other canonized remains received similar honours, and it is regrettable to have to admit that in the ardour with which relics were collected as allurements for pilgrim-merchants the body of at least one defunct patriarch was transported to the Adriatic by somewhat questionable means.

But Venice, thanks to her merchants, was now ripe for expansion, and it was not long before the opportunity

arose. There is no need to trace here the history of the Crusades, that summoned every armed man in Europe to a holy warfare in the East. It is sufficient to point out the part that Venice played and the brilliant results she obtained. Historians are apt to reflect upon her policy as self-seeking. It should be remembered, however, that Venice was far ahead in every way of the rougher, ruder nations with whom she found herself allied. They were comparative barbarians; she had long been accustomed, through her trade, to the refinements of Cairo and Constantinople. Theirs was the generous, but headlong, ardour of undisciplined youth; hers the foresight and prudence of maturity. They, anticipating conquest, thought of it in terms of plunder: the Venetians who knew that nothing can be had in this world without paying for it, preferred to pay with their own good coin rather than with the life-blood of their sons. As Gibbon truly says: "The lives and labours of millions, which were buried in the East, would have been more profitably employed in the improvement of their native country; the accumulated stock of industry and wealth would have overflowed in navigation and trade; and the Latins would have been enriched and enlightened by a pure and friendly correspondence with the climates of the East." Yet the Crusaders had their value after all in breaking up the "martial aristocracy" of feudalism, and the Venetians, who saw war to be inevitable, not unnaturally decided to turn it to such advantage as they might.

To whatever extent the people partook of the prevailing religious enthusiasm, the merchants were keen-sighted enough to see that their interests would be best served by preventing the intrusion of such rivals as Pisa and Genoa and other nations who were likely to become their competitors if allowed a foothold in the Levant. Their relations with Constantinople at first deterred them from active measures, but the twelfth century found them resolute in their purpose of establishing

trade relationships in Syria. A fourth of the city of Acre was granted to the Venetians, and after a victory at Jaffa they were allotted " an entire street in every city in the kingdom of Jerusalem, with a bath, a bakehouse, a market and a church." Their imports were admitted free, and they were released from the payment of taxes.

The siege and conquest of Tyre, however, awoke a new enemy, and the relations between Venice and Constantinople became strained to breaking point. A kind of guerilla warfare upon the merchant ships ensued, in which the Venetians suffered heavily. To meet the cost of a war with the Eastern Empire, a forced loan was levied on the most opulent citizens, and a Chamber of Loans established. " State bonds were issued for the amount of the loan bearing interest at four per cent. These securities were quoted daily on the Rialto according to the fluctuations of the market, and formed the first funded debt in Europe."[1]

Their recovery from these embarrassments appears to have been rapid. In 1177 we find Frederick Barbarossa submitting himself to the Pope in St. Mark's Cathedral, and this historic reconciliation not only saw the inception of the picturesque ceremony of wedding the Adriatic with a golden ring, but it brought renown and solid gain to Venice, while the Peace of Constance in the following year ratified her position among the Powers.

But Venice had by no means finished either with the Crusades or Constantinople; yet the extraordinary story of how she first fitted out the Crusaders with a fleet, and then persuaded them to turn their arms upon Constantinople and helped them to sack the city belongs rather to a military than a commercial chronicle—and there were complications in the Greek Empire which we have no space to narrate. This was in 1204. The fabulously wealthy city was captured and re-captured, and it was even proposed by a later doge that the seat

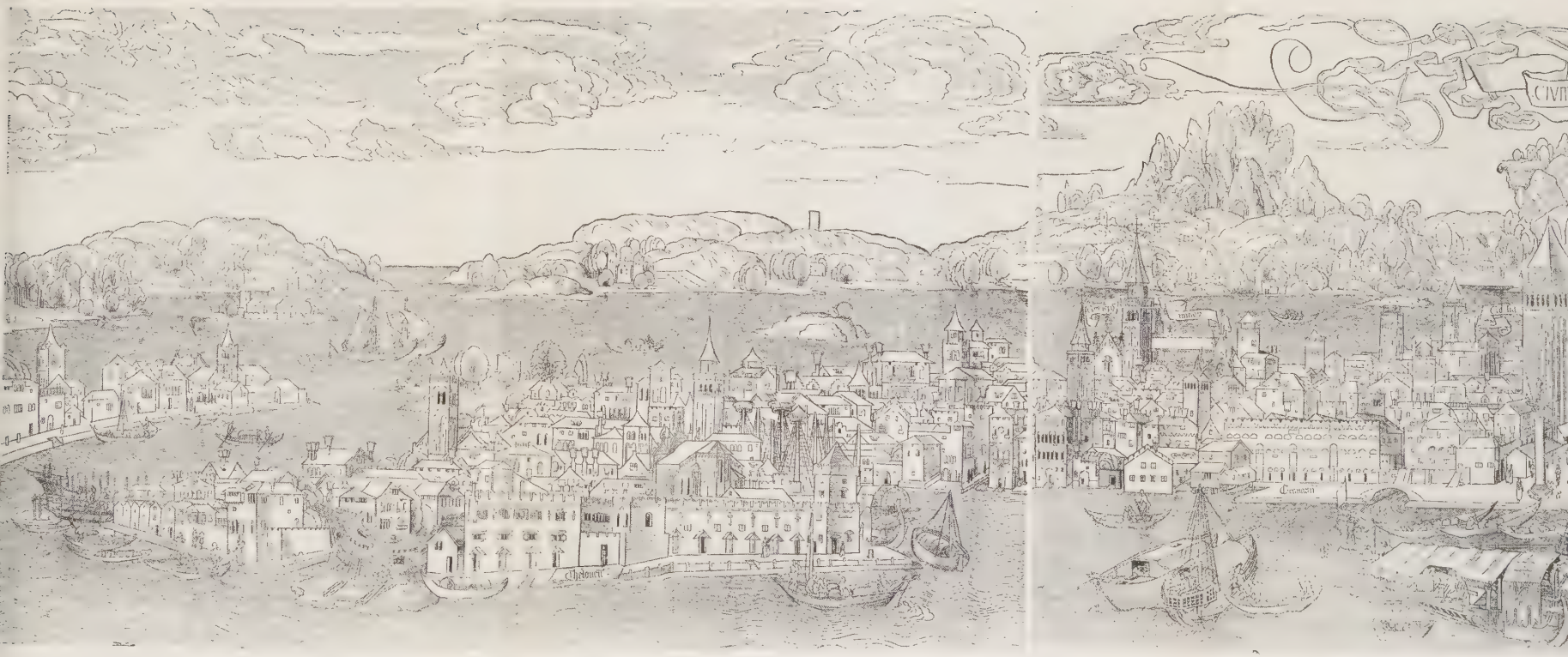
[1] T. Okey's *Story of Venice.*

of his Government should be transferred thither from Venice. Though this was never done, he was permitted to " tinge his buskin with the imperial purple," and to add to the title of doge the further designation of Despot of Romania and Lord of One-Fourth and One-Eighth of the Roman Empire; and Crete, the key to the trade of the Mediterranean, was transferred to Venetian rule.

But the Venetians were not alone in the field. They had powerful rivals who were to tax their strength to the utmost. In Italy, in Syria, and in Constantinople alike, the Genoese provided a stimulus of competition so fierce that it broke at length into an open warfare that lasted till the close of the fourteenth century. During this long period of alternate aggression and defence, Venice was careful at first to remember that her navy was primarily a commercial one. Enterprise—always the direct outcome of competition—may be traced on all hands, even amid the vicissitudes of war. In 1240 Venice obtained the monopoly of trade with the Far East; commercial treaties were concluded with Ravenna, Padua and Ragusa; the cities of the Lombard League deposited their money with Venetian bankers. The reputed Crown of Thorns was pledged with them for something like £7000, and they even held in pawn the son of the last Latin Emperor of Constantinople.

The year 1284 saw the issue of the first gold ducat, famous for six centuries throughout the commercial world for its fineness, purity and weight, and it is perhaps worthy of comment that calculation by percentage instead of in fractions also originated in Venice some sixty years earlier.

But there were reverses as well as gains. They lost the island of Chios; and though a treaty with the Saracens, which, it must be confessed, scandalized Christendom, drove the Genoese from Syria, the latter were prompt to retort on the Venetians by defeating their fleet off Curzola in 1298. They then prohibited any


CIVI

armed vessel from touching on the coast of Syria or entering the Black Sea for the next thirteen years, thus obtaining the control of the fur trade with Tartary. One of their prisoners was none other than the celebrated Marco Polo, the merchant-adventurer, who beguiled the tedium of his four years' captivity by dictating to a friend the history of his wanderings in the East. Though he was often accused of having drawn upon his imagination, it is perhaps worthy of comment that in reference to what he himself had seen and heard no other explorer has ever been able to give him the lie.[1] The "travellers' tales" are those that he gives on hearsay evidence alone, picked up perhaps in the country that produced *The Arabian Nights' Entertainment.* His claim to fame is indisputable and his book a merchant's Odyssey. He was the first traveller to cross Asia naming and describing the kingdoms that he saw. He knew Persia and Beluchistan, Khotan and Mongolia. The city of Kublai Khan was as familiar to him as Venice; its great prince less mysterious than the doge. He traversed China with all its wealth and vastness, and his statue stands to-day with those of the world's great men in Canton. Siberia, Thibet, Burmah, Siam, Cochin China, India, Ceylon, even Japan, Java and Sumatra were known to him, and Abyssinia, Zanzibar and Madagascar bordering on the unknown ocean of the south. As Columbus was afterwards to discover a New World, so Marco Polo in his twenty-four years of absence discovered an Old, but his fellow-citizens discredited fact and fiction both. We shall see how he was avenged a couple of centuries later.

Further humiliation for Venice was to follow the defeat by Genoa. A quarrel with the Papal See, with consequent excommunication, proved an expensive luxury. The merchants were proscribed throughout Europe, their factories pillaged in France, England, Aragon and Sicily, and their merchandise confiscated.

[1] Mrs. Oliphant's *Makers of Venice.*

But they were not too proud to learn from their mistakes, and her prestige was not dimmed for long. Recurrent tariff hostilities with Padua resulted in victory for Venice in 1378, with an unblocked passage for her caravans into Northern Europe, and the treaty of peace included the usual sensible stipulations for freedom of trade with the further condition that Padua's supply of salt should all be drawn from Chioggia. Then came the last phase of the struggle with Genoa. We hear of a Venetian furrier who undertook the maintenance of 1000 armed men, and of an apothecary who equipped a galley. Merchants can perhaps compute the financial cost of a war better than anyone else. These two merchant peoples found the policy of cutting one another's throat too disastrous for victor and vanquished alike to be continued, and peace was concluded in 1381. "For three years no merchant ship had left Venice, yet she emerged from the contest stronger than ever, the acknowledged mistress of the sea."[1]

With the first years of the fifteenth century Venice attained the height of her glory. Her territorial expansion abroad and her wealth at home were alike prodigious for a capital city of less than 200,000 inhabitants. In 1400 the famous Compagnia della Calza (Guild of the Hose) was founded for purposes of princely entertainments. Doge Mocenigo told the council that Venice was the fountain of trade and the purveyor of the world. The trade with Milan was greater than with any other Italian state, while the commerce with Lombardy was computed at 28,000,000 ducats a year. On his deathbed, with the senators gathered around him, the old man made a last proud statement of the financial position in which he left his city.

"In my time 4,000,000 ducats of the public Debt have been paid off, though 6,000,000 more remain, the latter sum being contracted for the wars of Padua, Vicenza and Verona. We have

[1] T. Okey's *Story of Venice*.

regularly paid the half-yearly interest on the Funds and the salaries of the Public Offices. Our city at present sends abroad for purposes of trade in various parts of the world 10,000,000 a year, of which the interest is not less than 2,000,000. In this city there are 3,000 small vessels which carry 17,000 seamen; 300 large ships carrying 8,000 seamen, and every year 45 galleys and dromons are launched for the protection of commerce, which have employed in building 11,000 mariners, 3,000 carpenters, 3,000 caulkers. Of silkcloth weavers there are 3,000; of manufacturers of fustian 16,000. The houses are estimated as worth 7,050,000 ducats.[1] Their rents amount to 150,000. We find 1,000 gentlemen with incomes varying between 700 and 4,000 ducats a year. If you continue in this way you will multiply more and more and will become masters both of all wealth and all Christendom. Everyone will fear you. But I beseech you, avoid as you would fire, seizing what belongs to others and engaging in unjust wars, for in such wars God will not support princes."[2]

Details of this mercantile marine service at a rather earlier period are not lacking, and we must quote again at some length because such beneficial regulations are rare indeed.

"Every year six trading fleets averaging about five hundred vessels each sailed, one for the Black Sea, another for Greece and Constantinople, others for the Syrian ports; for Egypt, Barbary and North Africa; for Flanders and England. These ships were the property of the State, and in due time a public crier announced the number of galleasses ready for the annual voyages. They were farmed out to the highest bidders, who were required to prove their qualifications and the amount of their capital, and to provide on each galleasse accommodation, a suitable mess, and space for a small cargo, for eight young nobles, who were thus trained in naval science and gained experience of commerce. The vessels were constructed on fixed models and convertible at will into men-of-war. Every man aboard, passenger or seaman, bore arms, and was compelled to fight for the ship in case of attack. Standardized fittings were obtainable at every Venetian

[1] A ducat was worth approximately 9s.; a silver ducat 4s. 6d.

[2] Quoted by Mrs. Aubrey Richardson in *The Doges of Venice*. Methuen. 1914.

maritime station to replace any that might be lost or damaged by storm or battle. The food and comfort of the seamen were carefully provided for. A cross painted or carved on the side served as a load line, and Government inspectors checked any attempt to overload. Each ship carried a band of music. In 1476 the Guild of St. Nicholas, patron of mariners, was instituted for the succour of merchant seamen; it has formed the basis on which all similar institutions in modern times have been founded.

"The Consuls at every Venetian port were charged to inspect the weights and measures of the traders and to prevent adulteration or fraud. If the Consul were found to be venal he was branded on the forehead. At home the same measures were taken to maintain the standard of quality, and in 1550 English woollen goods from the Thames were exposed with the brand of the senate upon them in the Piazza as evidence of English dishonesty and the decay of English faith."[1]

The silk looms of Venice arrayed all Christendom in festal attire; Spain and England provided wool for her cloths; Lombardy flax made her linen; gilt leather brought in 500,000 ducats a year; and the glass factories of Murano furnished the palaces of Europe with mirrors and drinking vessels, and the African savage with beads.

But though we may be tempted to linger before the fair picture of the prosperity of Venice when she held "the gorgeous East in fee," the time of her decline was at hand. Her merchants were a great race, but their staying power was never equal to that of the Phœnicians. It is indeed possible that the seeds of decay were sown with a decree, said to have been passed in the days of Doge Delpino (1356–1361), which forbade any Venetian noble to embark in commercial pursuits. This in a state whose doges and senators were drawn from the ranks of the merchant princes, and whose aristocracy was an aristocracy of trade, was obviously suicidal. Though it was not strictly observed, the control of the State passed from the hands of the men who made it wealthy. Venice forgot at last that her strength lay in maritime commerce.

[1] Thomas Okey's *Story of Venice*. Dent.

She undertook wars on the mainland against Milan and Florence, employing expensive condottieri, till the appalling tidings of the capture of Constantinople by the Turks caused all combatants to call a truce. She aroused the jealousy of transalpine powers, and was crushed by the League of Cambrai. The cost of her military undertakings may be reckoned in increased taxes, forced loans, commercial crises, depressed industries and reduced population.

Even if she could have survived all this there were two other portents that showed that the tide of the world's progress had begun to flow elsewhere. Christopher Columbus, a Genoese, proposed to sail from Spain westward until he should reach the rich Indies. That the earth might be round was a new and almost insane theory, and the Venetians were more amused than disturbed by his fantastic plan; even when he reached the West Indies instead of the East they saw nothing in the result to interfere with their commercial supremacy. It was far otherwise with the tidings that reached them soon after the year 1500.

In 1428 Prince Peter of Portugal, visiting in Venice, bought, as an acceptable present for his brother, Prince Henry the Navigator, the works and maps of Marco Polo that had met with such an incredulous reception more than a century before. These proved an inspiration to the man who was to turn the knight into a merchant and crusading into a profession. He saw that Ptolemy's geography was necessarily effete and the maps suggested a way round Africa. Prince Henry died in 1460, but his inspiration did not die with him. Once more imagination showed the way. Vasco da Gama reached Colicut by rounding the Cape of Good Hope and returned to Lisbon with a cargo of spices. This was the news that, according to Priuli, caused the greatest consternation among the Venetians and broke their rest at night. It was the knell of their doom. For, owing to the heavy dues exacted by Sultans and princes, " the cost of a parcel of

spices increased from one ducat to sixty or a hundred by the time it reached Venice. The Portuguese, carrying by sea, would escape the levies and undersell the Venetian merchants in the markets of Europe, and their large and profitable trade from the East would be captured." [1]

They adopted every means of competition that wit could devise. They sent envoys to warn the Sultan of Egypt of the danger of his revenues if the Portuguese were allowed to succeed, urging him to ally himself with the Indian Princes and give military aid, if need be, to destroy their trade. But they schemed in vain, and gradually the trade, and with it the prosperity, of Venice declined. Some of the merchants moved to Cadiz, where the maritime commerce of Europe bade fair to compare with that of their own port in the days of her splendour. Others became bankers, but banking is a slow method of making money after trade. There is no quarter shown in the world of commerce to the vanquished, and the Venice we see to-day is but a husk of what was once the throbbing centre of the civilization of the world.

[1] Okey's *Story of Venice.*

IV

GIOVANNI, COSIMO AND LORENZO DEI MEDICI

HE House of the Medici presents to the world the noble spectacle of Commerce clothed in royal robes. To no other merchants in any time of which we have records has the same regal position or authority come; and trade, leading to what was practically a kingship, reaches its zenith of romance in this famous and remarkable family. And the high and authoritative position which they reached and filled so superbly is the more to their credit in that Florence was a republic in which the rulers were elected by the people. They therefore held for so many years these highest of all posts not by inheritance or so-called "God-given right," but by their ability, influence and commercial wealth. Let us follow as briefly as may be the fortunes of this family from its beginnings.

The development of Italy from about A.D. 1000 to A.D. 1500 or 1600 produced, as we have seen in our chapter on Venice, a race of traders trading at first from necessity. Venice produced, to begin with, simple fishermen, then bolder sailors, who early discovered that Commerce brought wealth and consequently power, and these became merchants, who looked upon the whole of the then known world as their field of action. But while Venice, from her peculiar geographical position, was the commercial leader of Italy, the peninsula possessed four other independent States each under its own form of government. Florence, Milan and Venice in

the north, the Papal States and Naples in the south, carried on for hundreds of years a competition for supremacy which assumed all phases from open warfare to keen rivalry for trade. It was during this period, and under these conditions, that the House of Medici came into active being. The pages of Italian history are given up for the most part to political affairs, to plots and counter-plots, and the public acts of its chief men, and are lacking in details of the means and methods by which these leaders acquired prominence. But they were practically all business men, for when the people wanted a strong man to direct their public affairs they always searched among the merchants of their city.

In 1370 a Salvestro dei Medici was a Gonfalonier of Justice. He found himself in the thick of political intrigue, but either through lack of ability or influence he was finally defeated in the battle for votes and retired from public life to the quieter and more profitable career of a merchant-trader and banker. Another branch of the family was represented by Averardo Bicci dei Medici, who also found his greatest pleasure in building up and strengthening his great business. In this disinclination to become involved in affairs of state lay safety for the moment for his House, and he therefore escaped the notice of the ruling Florentine family, the Albizzi. But all the while he was piling up sinews of war for the use of those who were to come later, for in Florence, as in most parts of the world, then and since, money has proved a vital matter in great affairs of state.

Averardo's son, Giovanni, however, appears to have been a man of wonderful ability. His mind was commercial; he saw in great wealth greater power for the future, and he increased enormously the wealth of his House. Through his many banks he became a financial power so important that he was able largely to control the money market of Italy and to affect favourably, or the reverse, the financial conditions wherever he chose to operate.

GENOA AND FLORENCE

(ABOUT 1580)

From an engraving in the British Museum

And bankers in those days were merchants as well. They bought and sold merchandise, controlled ships and caravans. They were manufacturers, miners and general men of business, developing their resources and organizations in whatever direction best suited their purpose. They loaned money, requiring such bonds or security as nowadays would seem, and would indeed be, suicidal on the part of the borrower, but the conditions of those times made such financing not only possible but necessary. The banker-merchants' risks were very heavy, and where risks are heavy profits when they do come are apt to correspond.

Giovanni dei Medici early in the fifteenth century spread his commercial net all over the civilized world. His House was represented in every important town of Italy. Constantinople, the gateway to the East, contained a flourishing branch. The Levant, France and even England[1] found the name of Medici strongly entrenched and respected. And in Florence itself his banks included, in their lists of debtors, almost every important man in the State; and with his great and rapidly growing wealth he displayed extreme generosity toward the poor.

While we cannot discover that Giovanni wished for any public office, it is hardly surprising that he was made Gonfalonier of Justice in 1421. Albizzi was still in power, but with this clear-headed, strong man as a public officer he found it less easy to make mistakes without criticism. Giovanni aggressively opposed his foreign policy and also fought strongly against the oppressive taxation which this policy had made necessary. It was by these outspoken and evidently sincere opinions that he soon won for the House of Medici the title of "Friend of the people," and laid the foundation stone of the marvellous

[1] The Medici Arms are still a familiar sign in England and in every country in the world to-day, to those who are desirous of being accommodated with a loan, since three of their six golden balls—once thought to be the gilded pills of the *Medico*—hang over the shop of every pawnbroker.

political strength of his family. Machiavelli tells us that Giovanni gave continually fresh proofs of his moderation and good sense, and declared that "it was not well to go into things so long passed, unless to learn something for present guidance"; that if in former times the taxation had been unjust, "we ought to be thankful that now we have discovered a means of making it equitable—for he that is content with a moderate victory is always most successful; those who would do more than conquer commonly lose."

But Giovanni clung from preference to a business life. He loved the charm, fascination and excitement of widespread commerce better than the uncertainties of politics. His position with the people was very strong, and he could have assumed any office of the State he chose; yet, notwithstanding the urgent appeals of his sons Cosimo and Lorenzo, he steadfastly refused to increase his public power.

On his death-bed he is said to have called his sons to him and admonished them as follows: "I die content, for I leave you rich and well, and so placed that if you follow the course I have followed you will live in Florence respected and in favour with all men. I am cheered by the thought that I have never wilfully offended any, but have sought to do good to all. In State affairs, if you would live in safety, take that share which the laws and your fellow-citizens shall think good to bestow upon you, for what occasions hatred is not that which is given to an individual but that which an individual has determined to take possession of. Although among so many enemies, and surrounded by so many conflicting interests, I have not only maintained my reputation but increased it. If you pursue the same course, the same good fortune will attend you."

Thus died this fine old merchant in 1429, the real founder of the great House of Medici. He was succeeded by his eldest son Cosimo, then forty years old. Cosimo, upon his succession as head of the House of

Medici, found himself one of the chief men of affairs in the city as well. His qualifications for the position were excellent. His education had been broad; he was a master of the intricacies of commerce, and he knew and loved the details of the vast business which his father had built up. He recognized wealth and growing wealth as of great importance, and knew well that an enormous commercial house yielded annual profits greater than those obtained by any other means. And while his education in this department had been full and complete, he had also been taught the science of statecraft. He was more ambitious than his father; he had a strong inclination for leadership, and while never allowing the interests of his great business to suffer, he soon plunged into public matters in no uncertain way. He opposed the head of the State, Rinaldo degli Albizzi, on many questions, and became so aggressive that it seemed necessary to make a public example of him. Many of Albizzi's friends urged that Cosimo would be safer dead than alive, but more moderate advice prevailed, and he was banished from Florence for a period of ten years. He was therefore sent to Padua, while his younger brother Lorenzo (who must not be confused with the great Lorenzo) was exiled to Venice for five years. But Cosimo was no sooner out of the city than the entire community felt the loss. They said that "he took a part of Florence with him." His party experienced an immediate accession of strength, and became so confident in itself that a committee of its appointment actually recalled Cosimo, and in so doing rendered a death-blow to the power of his enemy, Albizzi.

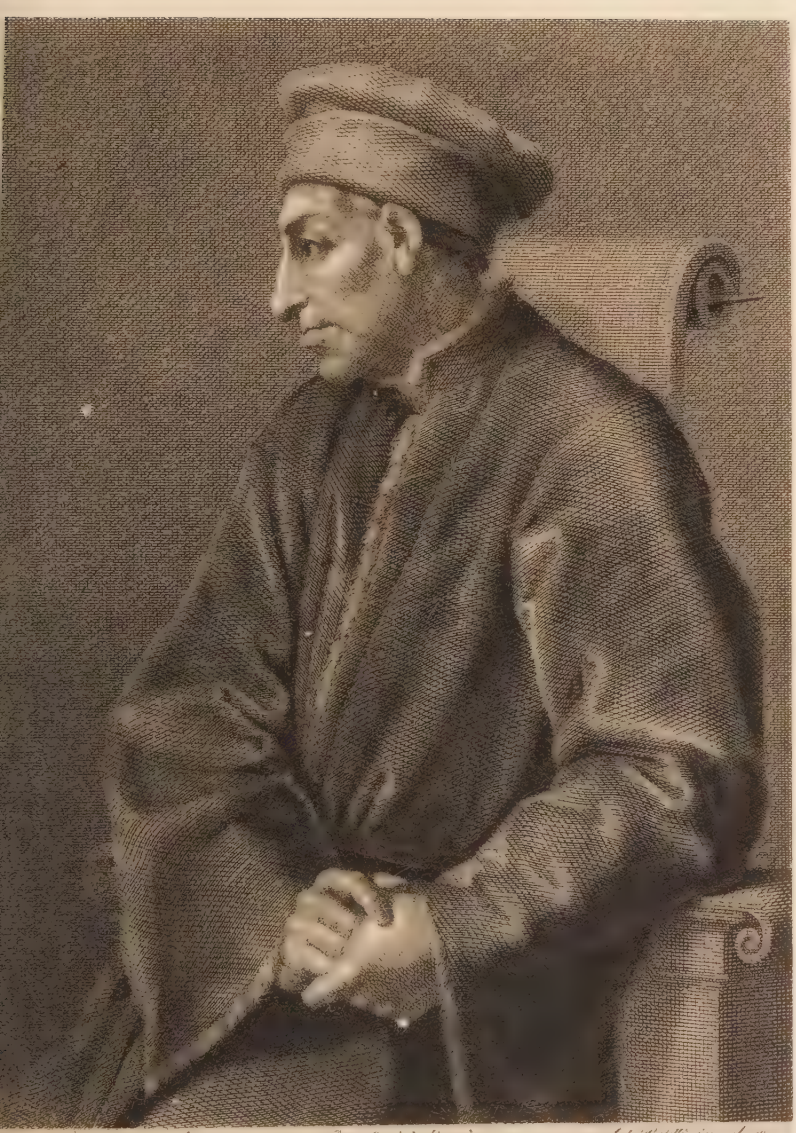
With his triumphant return the House of Medici became the ruling family of Florence. He was acclaimed head of the State because he and his family had espoused the side of the multitude against the rich few. He insisted on the rights of the poorer citizens because his ideas were those of justice. Yet we can read no page in history which stamps him as a demagogue. His business

training built for fairness; he loved power, but not at the expense of principle. He was not an autocrat, but to those who, by their acts, proved themselves enemies to his administration, he was stern and unrelenting.

Writers of the political life of the Medici (and these have been many) have viewed Cosimo's methods from all sides. He has been severely criticized for the use he made of taxation to meet his ends. It is not our province to dwell upon these details. He was holding an elective office, not one of inheritance. He lived in a period of political intrigue. Every city of Italy was filled with plots and counter-plots. Assassination was as common and as little thought of as nowadays is the defeat of some candidate for political office. Cosimo had to sail his ship of office through a troubled sea, and that he did so, maintaining his popularity with practically all classes, proves his wonderful ability, his nerve and his tact. He was strong, and he had the courage of his convictions, and he exercised his enormous power with such wisdom and intelligence that all sections of the public, except the occasional few who were openly hostile, regarded Cosimo as their friend, and his government as exercised in their behalf.

But we are less concerned in these pages with his political career than with pointing out that his position, which, while he lived, was supreme, was due not only to his own ability and ambition, but also largely to the far-reaching power of the great business which he and his father had so carefully watched and splendidly directed. We have searched for data dealing with this house of business, but nothing has appeared. The great libraries contain many works upon Cosimo—himself the founder of the great Laurentian library—and upon his grandson and successor Lorenzo the Magnificent, but concerning the source of all their wealth, their commercial house with its world-wide ramifications, we find little or nothing.

May we allow our imagination to endeavour for a



(COSIMO) PÀDRE) (DELLA PÀTRIA)
A RAFFAELLE MORGHEN

page or two to describe this business in rough detail? May we picture this ruler of the State, this prince in all but name, as he spent that part of the day which he devoted to his counting-house? Such a business, naturally, must have had a strong organization. Its head knew the details but left them to others to execute. His great banks in Florence, throughout Italy, and in all Christendom as well, must have been splendidly administered; for competition, of which there was plenty, would otherwise quickly have found weak places through which to undermine them. His knowledge and that of his managers of the financial strength of all those who sought accommodation must have been extraordinary, for we have read that almost everyone, in Florence at least, who was fairly entitled to credit, was his debtor. His branch bank in Rome, which under the direction of Lorenzo transacted the business of the Pope, more than held its own in that hotbed of intrigue and treachery. He dealt with kings from Constantinople to Cadiz. He lent money, watched his securities, and collected his interest from one end of the land to the other.

But banking, as we now understand the term, was but a part of his vast concern. He was always the first man to be approached by miners wishing to sell their mines; by manufacturers who desired to dispose of their products; by shipowners whose cargoes from distant countries had to be turned into cash; by caravans to be financed; by dealers in precious jewels, rare furs, rare curios from the Far East. His advice must have been often, very often, sought by men who were preparing to risk much in hazardous but empire-building undertakings; by cautious neighbours who required his approval before taking one little step beyond their narrow spheres; by the rich man who had undertaken too much; and by the widow seeking information as to where best to start her son upon an honourable career.

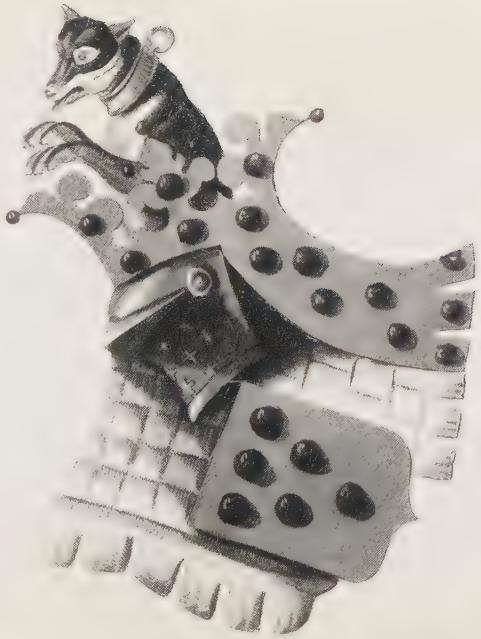
Details such as these, almost petty as they may seem to the reader, were probably so carefully executed by

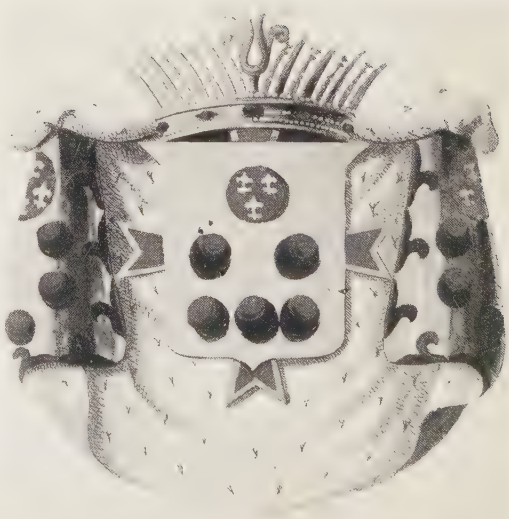
the business-loving Cosimo that each act cemented a friendship for him and his House. But as he and his great staff loaned and bought and sold; as they checked an uprising here through refusing funds, or forced justice from some tyrant there by financing his opponents; as they encouraged the agriculture of their State by loans to the farmers, or improved the stock of the entire country by bringing into it the finest animals from other countries; as they built stately buildings or public works, paid for statues and great pictures, or placed some young artist on his feet, and opened the road for him to fame—as they did these and many other acts their already great business grew continually greater and greater.

Money! What an enormous power! And money, wisely and intelligently controlled by a man who had built integrity into the very foundation of his House, had an influence almost impossible to compute.

Such work did Cosimo dei Medici. Such is the barest, most imperfect outline of the scope of his undertaking. His public life was marked with exciting events incidental to all public men of his day. He was never worsted, however, in the efforts to dislodge him from his supreme position. His magnificent judgment and his skill enabled him to govern Florence in such a way as to leave the State on his death in 1464, at the age of 75, in a higher place than ever before in its history, and the fortunes of his family were not only much greater than at any previous period, but the prestige of the Medici was higher than that of any other house in the world.

The Council of Ten passed at his death a law declaring that he should henceforward be known by the title of Pater Patriæ, and, after an oration by Donato Acciaiuoli, this law was adopted by the acclamation of his grateful fellow-citizens. Nor was appreciation lacking outside Florence itself. "This is indeed bitter and mournful news and most grievous to us," wrote the Pope in a letter of condolence to Piero, the son and immediate successor





THE MEDICI ARMS

THE RIGHT HAND EXAMPLE SHOWS THE ADDITION OF THE FLEUR-DE-LYS

Reproduced from the Teatro Araldico by Tettoni and Saladini

of Cosimo. " For we loved him with sincere affection as a man whom we always found devoted to ourselves and to the Apostolic See, whom we knew to be gifted with unusual insight and kindness. . . . His life was full of honour ; his glory extended beyond his own city to all Italy, nay to the whole world."[1] And Louis XI., King of France, testified to his regard for the Medici by creating Piero a Privy Councillor and granting him the right to add the fleur-de-lis to his coat-of-arms, the ball on which it was charged being blazoned blue instead of red.

But Piero lacked much in ability, and cannot be included in the list of the great Medici. His health was poor ; he suffered so greatly from gout that he was known as " Piero il Gottoso." His judgment was unreliable, and being of a retiring nature he perhaps realized his shortcomings and kept out of the limelight in favour of his more brilliant son.

Lorenzo, whom the usual courtesy title of The Magnificent suited so well that it became his especial property, was born in January, 1449. The family, even then, was very wealthy, and as heir to a great House, his education received the utmost attention. He was taught commerce in all its many branches and bearings ; but Lorenzo's mind was never of an entirely commercial fibre, such as those of his grandfather and great-grandfather before him. It was rather poetic, literary and artistic, an inheritance no doubt from his mother Lucrezia, to whom he owed much of his fine mental training. She was conspicuously distinguished as a woman of great intellect, even in those days of so many brilliant women. She was highly cultivated, but with it all she was a beautiful mother, and devoted to her husband—a quality which in the fifteenth century in Italy was often conspicuous by its absence. Lucrezia was charmingly literary in her tastes, and a poet of no mean order. She was extremely religious and, best of all, possessed a large share of sound

[1] From *The Lives of the Early Medici, as told in their Correspondence.* Translated and edited by Janet Ross. Chatto and Windus. 1910.

common sense. And Cosimo too added his share to the upbringing of his grandson. He was keenly alive to the importance of his education, and desirous that it should be even more skilfully conducted than his own had been. To this end he personally selected his tutors and advised the direction of study, with the result that the boy Lorenzo was trained in the science of statecraft and diplomacy as completely as any young man in those times might be.

From his early days Lorenzo displayed a wonderfully quick intellect. Some enthusiastic biographers have referred to it as "almost divine," but it is very easy to discover remarkable qualities and attributes in men of his position. He was a great man with a fine mind and the most finished education; but Lorenzo would never have been "The Magnificent," and would never have inherited his wonderful position as head of the House and lived like the prince he was but for the commercial ability of Giovanni and Cosimo. To them and their wonderful business he owed the opportunity of becoming a prince, and the fortune without which the glory of his public life would have been impossible.

Even in his father's lifetime considerable responsibility devolved upon him. At seventeen he was engaged on a tour of inspection of the various agencies of the business, but contemporary letters also show him to have been received as befitted a prince by the rulers of the different states, with whom he discussed political affairs on an equal footing. His father wrote to him at Milan:

"Alessandro wrote on the 3rd and told me of thy departure, and of what thou didst at Ferrara to please the duke, and of thy visits at Venice to the doge and other gentlemen, all of which I approve and commend, and I think thou hast paid nearly all necessary visits. Thou wilt have received my letter of the 4th telling thee what conduct to pursue, all of which remember; in a word, it is necessary for thee now to be a man and not a boy; be so in words, deeds, and manners, and if thou givest dinners or other entertainments do not let there be any stint in money or

whatever else is needful to do thyself honour. For the present I say no more. Before leaving thou shalt hear what to do. I have consulted with the citizens here, and they all agree that I must receive the princes in our house on their return, and the Signoria has commanded me to do so: I obey willingly, but it would have taken much trouble off my hands hadst thou and Guglielmo been here: however, we will do the best we can."[1]

A year later Piero sent him to Rome on a twofold mission. The political problem, which does not vitally concern us, was the maintenance of the league between the King of Naples, Milan and Florence. This was the basis of Piero's foreign policy and caused him much anxiety. The more strictly private business was to obtain from the Pope a monopoly of the trade in alum. Up to within a very few years of this date (1466) practically all the alum used came from Asia Minor, and the supply always fell short of the demand. A certain Giovanni de Castro, however, discovered a large supply in the volcanic hills around La Tolfa, to the west of Civita Vecchia. He tested it and hastened to the Pope, within whose dominion the treasure lay. His announcement was a trifle theatrical.

"I make known to you a victory over the Turk. He draws yearly from the Christians more than 300,000 pieces of gold, paid to him for the alum with which we dye wool of various colours, because none is found in Italy, save a little at Ischia. . . . I have found seven hills so abounding in alum that they might supply seven worlds. If you will send workmen, cause furnaces to be built and the stone to be calcined, you may furnish almost all Europe, and what money the Turk used to acquire will fall into your hands."[2]

His Holiness, Pope Pius II., who had a keen eye to business, secured the supply and created a corner in alum by an exceedingly unfair use of his spiritual prerogatives, for he proceeded to excommunicate everyone who imported alum from the Turkish dominions; and even in

[1] Mrs. Ross, op. cit. [2] Mrs. Ross, op. cit.

the Indulgences it was expressly stated that the promised pardon was not extended to those who carried on such a trade. But capital was needed to work the mines. The monopoly, thus protected by spiritual powers, was farmed out, and Lorenzo secured what proved to be a very valuable concession for his House.

Piero's administration of the family's affairs from his accession as head of the House in 1464 until his death in 1469 was marked by no other great undertakings or developments of any kind, and when his son succeeded him he found many somewhat tangled skeins to be straightened and put right.

In Lorenzo dei Medici the highest point is reached by the merchant-prince of the Middle Ages. He was one who, being born to a great position, filled it more splendidly than any who had preceded him. Yet his great office was not assured to him by inheritance; it was elective, and his electors were critical, difficult to please and quick to discover weakness. He was praised because he subordinated personal interest to the advantage of the common weal, because he insisted upon laws which produced public order, because the good of the State was always his first thought, and because he brought Florence to its highest pinnacle of greatness.

The chief stain upon his good name is due to his ingenious method of obtaining money from the Commune in order to secure a cardinal's hat for his son Giovanni.

Machiavelli stated, or at any rate implied, that Lorenzo had nothing to do with the bank, but judging by a letter to the Duke of Ferrara his share appears to have been one-half. The Duke wrote asking that a spinel ruby which he had in pawn with the firm for 4000 ducats should be returned to him to wear at the wedding of his daughter Isabella with the Marquis of Mantua in February, 1490; but, weddings being universally expensive affairs, he admitted that he was not in a position to pay the money. Lorenzo's answer was that as half the amount belonged to other merchants he

PALAZZO VECCHIO, FLORENCE

From a drawing in the British Museum by Miss Maria Hardinge

could not arrange for the whole, whereupon the Duke mortgaged the salt mines of Modena for the sum of 2000 ducats.

Further interesting lights are thrown upon the business of the House of Medici by a letter from one of their managers.

"To the illustrious Duke Ercole D'Este.

"According to the usual custom and rule we advise you that to-day the Magnificent Lorenzo has lent Pope Innocent 100,000 ducats for a year; one-third in cash, one-third in silk goods, and one-third in woollen cloth. As surety he has two-tenths on the stipends of all newly appointed priests, 70,000 ducats, and for the rest he will hold Città di Castello until entirely repaid.

"I give you another piece of news: Pope Innocent has given the Magnificent Lorenzo 30,000 cántara of alum at 1 ducat the cántara as payment of what was owing to him by Pope Sixtus, the 40,000 he received for the War, which is good news.—Florence, 1489. Your servant and particular partisan,

"B. Des. of the Medici Bank."[1]

The Duke Ercole possibly found in this letter only a confirmation of the description he had received from his new ambassador, Manfredi: "The Magnificent Lorenzo is a man who does not waste many words, and tells his intentions to no one until he is sure of obtaining what he wants. He never says flour until he has it safe in a sack."

As with Cosimo so with Lorenzo, it is not within our limits to go too far into his political career. The plots of the neighbouring states and of those at home who wanted power for themselves; the unsettled condition throughout all Europe; the menace of the Turks who had made themselves masters of Constantinople and were threatening the territories to the west; the Church and its often unscrupulous heads who insisted upon temporal power and held the terrors of excommunication over all who disobeyed their arbitrary demands;

[1] Quoted by Mrs. Ross in *The Lives of the Early Medici.*

these were but a few of the difficulties which Lorenzo had to face and master, and his twenty-three years of active leadership were years of great accomplishment for his State. He used his office, his wonderful influence and prestige and his princely fortune in every way for the greater development of his beloved Florence.

The city at this time contained less than 70,000 inhabitants, but so industrious and commercial was the character of its people that it possessed no less than two hundred and seventy factories of the woollen guild alone. Florentine stuffs were exported to all parts of the world.

"Eighty-three silk factories manufactured silk, cloth, gold brocade, velvet, satin, damask, and taffeta. Thirty-three banks conducted the financial affairs of the republic. There were thirty-two warehouses for the wholesale supply of various kinds of cloth; eighty-four workshops for cabinet-making and inlaid work; forty-four workers in gold and silver, not including thirty which were exclusively devoted to the manufacture of gold and silver thread and models in wax. Fifty-four workshops were necessary for the supply of worked stone, marbles, intaglios, and reliefs; and sixty-six shops attached to the Guild of the Medici e Speziali dispensed fancy articles of every description. Hats, paper, cutlery, books, veils, perfumes, tennis-bats and masks were but a few of the miscellaneous articles included in the general term 'Speziali,' which also covered the hairdressers and barbers."[1]

For so small a community this was a wonderful development of trade, and Florence became the wealthiest, although not by any means the largest, of the Italian cities. There trade, commerce, business were held in high esteem, and the man who built into the commercial fabric won the applause to which he was entitled.

Lorenzo was one of the richest merchants in the world, and he, like his grandfather and great-grandfather before him, possessed that tact and ability to use money wisely which endeared him to his less fortunate fellow-townsmen. He maintained and increased the family reputation for encouraging the Arts. Florence was older,

[1] *Lorenzo the Magnificent*, by E. L. S. Horsburgh.

Giorgio Vasari dipi. Pietro Errico Bonato Raffaello Morghen inc. 1800

LORENZO DE' MEDICI.

the Arts were now cultivated and were of a higher order. It became accepted as the centre, the great Mecca for those who would and could produce the finest paintings, sculpture, poetry and music, and it was very largely to Lorenzo that this reputation was due.

Everyone knows the story of how the young Michael Angelo was sent by his master, Ghirlandajo, to study with Granacci from the antique in the Medici Gardens, and won the approval and interest of Lorenzo with his sculpture of the head of a satyr. Until Lorenzo's death in four years' time he found himself an inmate of the Medici Palace and a member of a brilliant circle, on terms of equality with all the illustrious philosophers, wits and poets in Florence, among whom were Marsilio Ficino, Poliziano and Pico della Mirandola, the shining lights of the Platonic Academy founded by Cosimo.

Lorenzo brought to Florence valuable antiques from all over the world. He recovered for Florence through his emissary, Giovanni Lascaris, two hundred Greek manuscripts, eighty of which had until then been unknown. He assisted the sports and games of the capital. He encouraged agriculture, and loved to spend his spare time upon his own model farm not far from the city. He had always possessed a fondness for horses, and as a young man had been a famous horseman.

Whatever this wonderful man attempted he excelled in. His poems rank only below those of his close friend Poliziano. John Addington Symonds, in his brilliant book on the *Renaissance in Italy*, describes him as "Tuscan to the backbone, imbued with the spirit of his city, a passionate lover of her customs and pastimes, a complete master of her vernacular. His education, though it fitted him for platonic discussions with Ficino and rendered him an amateur of humanistic culture, had failed to make a pedant of him. Much as he appreciated the classics, he preferred his Tuscan poets; and what he learned at school he brought to bear upon the study of the native literature."

He was a patron of men of letters, but was careful never to patronize, and thus they gave him of their best. He was a bibliophile, and loved books for themselves. If a book could not be procured it could be copied, and Lorenzo employed many copyists. And while he thus enriched his own library he willingly allowed his books to be copied by others.

When death came to him in 1492 he was but forty-four years old and at the zenith of his career. All Florence mourned him and called him " Father."

One of his former enemies, King Ferrante, on hearing of his death exclaimed, " His life has been long enough for his own deathless fame, but too short for Italy. May God grant now that he is dead that men will not attempt that which while he was alive they did not dare do."

Truly, in the Medici, the Romance of Trade blossomed as the rose.

V

THE FUGGERS OF AUGSBURG

NOT in Venice and Florence alone were there clever men who became powerful and rich through commerce. Other peoples in the north were treading the same intricate paths to fame and fortune, and it is largely owing to the wonderful energy and sagacity of several families of merchants living in Augsburg that this city became one of the great trading centres north of Venice—perhaps indeed the greatest. Of these families one stands out most conspicuously, and we know of no record in the history of Commerce more fascinating and more inspiring than that of the great Fugger family, to whom we shall give this chapter.

The house of Fugger ranks even to-day with the proudest families of Germany, yet the Fuggers are not, like so many scions of the German aristocracy, members of an old line ennobled almost before history began. It was rather the nobility of civil activity, aided by fortune and seconded by imperial favour, that won them the princely coronet in 1803.

Their oldest known ancestor was by no means of the inner circle of the patrician families of Augsburg, for we read that at Grabent, a village about a mile and a half to the north-west of Lager Lechfeld, a certain Hans Fugger and his wife Anna of the Meisners of Kirchheim pursued, in addition to his husbandry, the calling of weaver and dyer. The village, however, became too small for the ambitions of his son and successor, and one fine September day in 1367 Hans the

younger left his little roadside home for a larger field of activity. In Augsburg he continued the trade of weaver, and through his business ability and manly open character won for himself a position among the better families and a place of honour in his guild. He married the daughter of the burgomaster, and thus gained the freedom of the city. His brother Ulrich joined him in 1377. His business increased; the number of looms and apprentices multiplied; and, determining to found a business for the direct sale of his wares, he shocked and astonished the neighbours by opening a shop in his own house.

The excellence of his goods speedily became recognized throughout the surrounding districts, and his enterprise both in the wholesale and retail trade was crowned with success. Large orders from Ulm, Nuremberg, and other towns came in so rapidly that Fugger's chief difficulty was to weave enough to supply his customers. In this way the foundations of the family were laid in the fourteenth century, with quality for building material, and industry as a sure cement. When Hans Fugger died in 1409 he left, what was no small fortune for those times, a sum of 3000 florins.

Hans Fugger's sons were Andrew and Jacob. Andrew, the elder, was richer and more respected than Jacob, but possessed of a somewhat imperious disposition. He carried on with all the fiery energy of his nature the business schemes of his father, and entrusting the looms to the care of his brother Jacob, devoted himself exclusively to the commerce in cloth.

The name of Fugger bore so excellent a reputation among the merchants in the more important towns of Germany that the doors of every counting-house were opened wide to his ambitious projects. The shrewdness with which he availed himself of every opportunity for progress, the energy with which he steered straight for the goal, indifferent to obstacles and knowing no such word as failure, contributed greatly to the increase of his

GERMAN MERCHANT

IN THE XIVTH CENTURY

Reproduced from a miniature in an illuminated manuscript

business, the enhancement of his reputation, and to the wealth of this, the third generation of the house of Fugger. He won a position in society, and was made happy by seeing his son Jacob receive from the Emperor Frederick III. in 1452, "for himself, his brothers, and his descendants forever," the first family coat of arms of a roe gules on a field azure. But, unfortunately, his haughtiness and overbearing manner marred what might otherwise have been a great character. He succeeded in his schemes and undertakings, but he estranged his friends and, finally, his brother Jacob.

When Andrew Fugger died he left a great business which was undertaken by his sons, Luke, Jacob, Matthew and Hans. But it is difficult to instil the love of work into those who know they will inherit great wealth. Luxury and absence of necessity robbed Andrew's sons of all incentive, and business is a mistress who overlooks no neglect and must be constantly courted. Though Andrew had been haughty and purseproud, he had never ceased to love the great game of business. Every day saw him in his office or among his bales of merchandise. His love of enjoyment and magnificence did not deprive him of the result of his early lessons in thrift. His sons failed to maintain the standards and the traditions of their father and grandfather. They lost the family virility, and just as the nation which grows rich and gives itself up to pleasures and enjoyment becomes less virile, less capable, less respected or feared, and finally drops into insignificance, so the family almost always falls which counts work or effort other than in the chase for sport, or pleasure, as something to be shunned. It falls too in a very much shorter space of time than does the nation. For several years after their father's death the Fuggers' business increased by its own impetus, but at length began inevitably to show the lack of a master hand. At the death of the last brother in 1494 his debts exceeded his assets by an enormous amount. This branch of the family grew less and less, until many of

its members were reduced to seeking situations from their more fortunate cousins, and in 1583 the line of "the Fuggers of the Roe" finally disappeared.

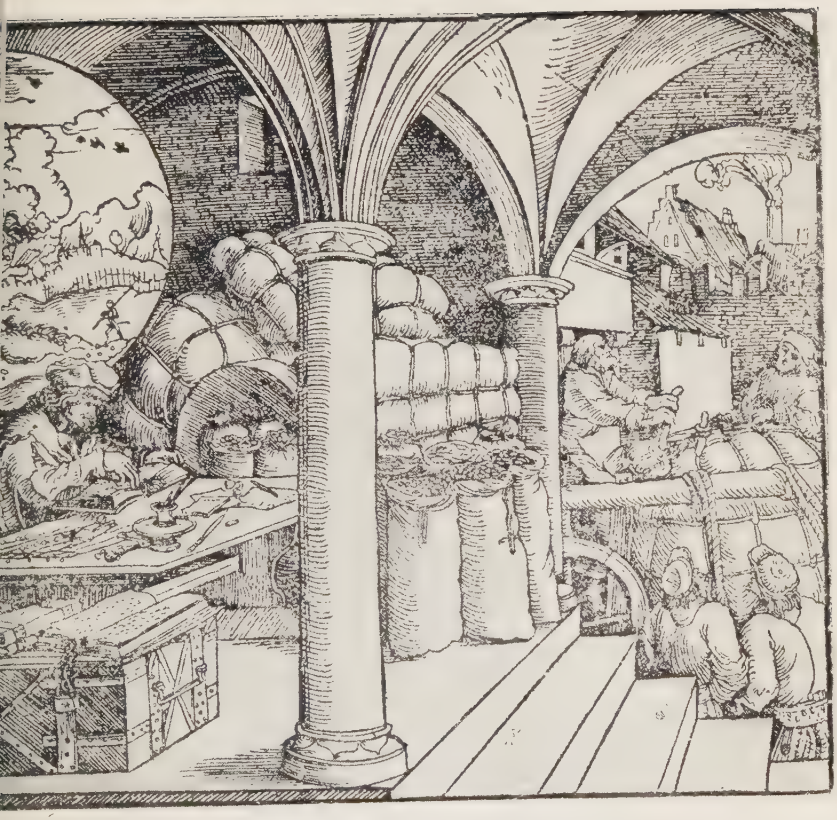
If there had been no other branch, the history of the Fuggers would never have been written. We remember, however, that the haughty Andrew had a brother Jacob, and to this more plodding and less ostentatious member of the family we may look as the real architect of the fortunes of the house.

Jacob attained the rank of Master of the Worshipful Company of Fustian Weavers, but soon ceased to give all his attention to the business of weaving, since he saw further profit both in the spice trade and in the manufacture of garments of silk and wool, which he sent out to all quarters of the world. The excellence of these latter productions is proved by the fact that, even in rich Venice then at the height of its prosperity and the home of the greatest merchant-princes, Jacob Fugger's northern-made garments were sold in great quantities.

Jacob married a daughter of Basenger, master of the Augsburg Mint, who had enormous business relations with traders of all kinds all over the world, and it was through his father-in-law that he later developed an interest in the mines, which became a great source of wealth to the family.

Jacob died in 1469, and three of his sons, Ulrich, George and Peter, carried on the business. His other sons, Mark and Jacob, were destined for the priestly callings, but after the death of Peter in 1473, Jacob, then three-and-twenty, renounced his vocation at the request of Ulrich and George and entered the family business as a merchant. In the sequel he proved himself a business genius, to whom the world-famous position of the Fuggers is largely due. It was, however, Ulrich who, as chief director, first entered into business relations with the Imperial House of Hapsburg.

In the year 1473 the Emperor Frederick III. was making preparation for his journey to Treves to arrange



OLD GERMAN WAREHOUSE

From a woodcut in the British Museum

with Charles the Bold of Burgundy the details of the marriage of his son Maximilian with Charles's daughter Mary; and, wishing to clothe and deck his train in cloth of a single colour, turned to the firm of Fugger. Ulrich provided what was asked, "whereupon the Emperor conferred upon him the coat of arms with the lilies in its fitting colours, and these," says Hans Jacob Fugger, "were the first mercantile transactions which the House of Austria had with them that bear the name of Fugger."

This association gave them great publicity, it is true, but little gain, and small thanks; and their relations with kings and emperors in the long run cost them enormous sums, for which little can be discovered to counterbalance.

The brothers developed the business in all directions. They did an import and export trade in spices, silk and wool, and sent out great quantities of the garments which had won a reputation even in Venice. They came in course of time to an understanding together that their male heirs and descendants should invest the whole of their fortunes, undivided, in the business, while the daughters of the house should be provided with dowries, "to the end that the trade of the house of Fugger should remain undivided and undissipated." This principle was faithfully maintained even down to the time of the Schmal-kaldian War.

A brief description of the counting-house of those princes of Commerce about the year 1490 is not without interest. At this period the Western Hemisphere had not been discovered; printing had just been invented; England was a growing but still an unimportant power under Henry VII. Methods of communication were crude and tedious. Conveniences which to-day seem indispensable were then non-existent. Almost all Europe north of Italy, with a few excepted cities, was a wild, undeveloped, half-civilized country where might was right; where law was only worth the paper it was written upon unless backed up by an armed force. It

was in the face of conditions such as these that the giant commercial intellects of Augsburg built up their great reputation as traders.

Ulrich and George bought two houses in the same street and utilized the space between for a counting-house, whose fame spread throughout Europe. It was known as the "Golden Counting-House," of which the following is a description taken from an old record:

"Ceilings and walls were inlaid with rich panelling, whose carving of dark wood was overlaid again with glistening gold. The windows, broad rather than high, displayed in their small round panes magnificent paintings of varied tints; heavy carved arm-chairs upholstered in red-flowered velvet lined the walls, and in one corner stood a large artistic safe with folding doors, which hid from view a part of the wealth of the Fuggers in the shape of specie, bonds, and bills of exchange.

"The first object which struck the eye was Ulrich's desk standing by the middle window, and supported on four seated lions in black, carved wood, inlaid with gold and mother-of-pearl. Above, and in the back of the table itself, the top of which was formed of marble, with veins of light green, white and black, were a number of small compartments with drawers, which, half open for the most part, revealed the seals of the documents they contained, hanging by ribbons of silk. The whole was crowned by the Fugger Arms; the blue field of lapis lazuli, and the lilies of beaten gold. A lion's skin lay under the table, spread out upon the floor; a large arm-chair, upon the leather back of which the Fugger Crest was embossed in gold, stood in front of the table.

"Here Ulrich Fugger worked, and reigned supreme, here he received callers, here were elaborated far-reaching plans with the busy merchant princes of Augsburg. It was in this lovely chamber that many a noble, many a count bargained for a loan, and on Ulrich's desk subscribed the document wherein he mortgaged to the Augsburg weaver territory and dominion.

"Opening out of the 'Golden Counting-House' was a large well-lit chamber, which, despite its simplicity, was a further indication of the wealth of the house. Here worked George Fugger, and the legion of clerks—persons of no little importance in those days, and valued for their knowledge."

The house of Fugger continued to grow in wealth and power under Ulrich's able control. No matter was too large and none too small to receive his attention, and when the expedition to search for a passage around the Cape of Good Hope was proposed the rich merchants of Augsburg were among the first approached for financial assistance. It was the age of imagination as well as the age of risk. "Nothing venture nothing win" had a high place in their commercial creed, and the Augsburg merchant princes contributed heavily to the undertaking which was to be the undoing of Venice.

Fugger, Welser,[1] Vohlin, Hochstetter, Gossenbrot and Imboff (all merchants of Augsburg), and the Nuremberg house of Hirschvogel, together with certain Italian firms, fitted out, at a cost of 66,000 ducats, three large vessels, the *St. Hieronymus*, *St. Raphael* and the *St. Leonard*, which sought the new sea route to the Indies, convoyed by the Portuguese fleet of the Viceroy, Francisco d'Almeida. It is satisfactory to read, in an account of this overseas expedition published in 1509, that the profits of the successful adventure helped to swell the coffers of all those who risked their money in it.

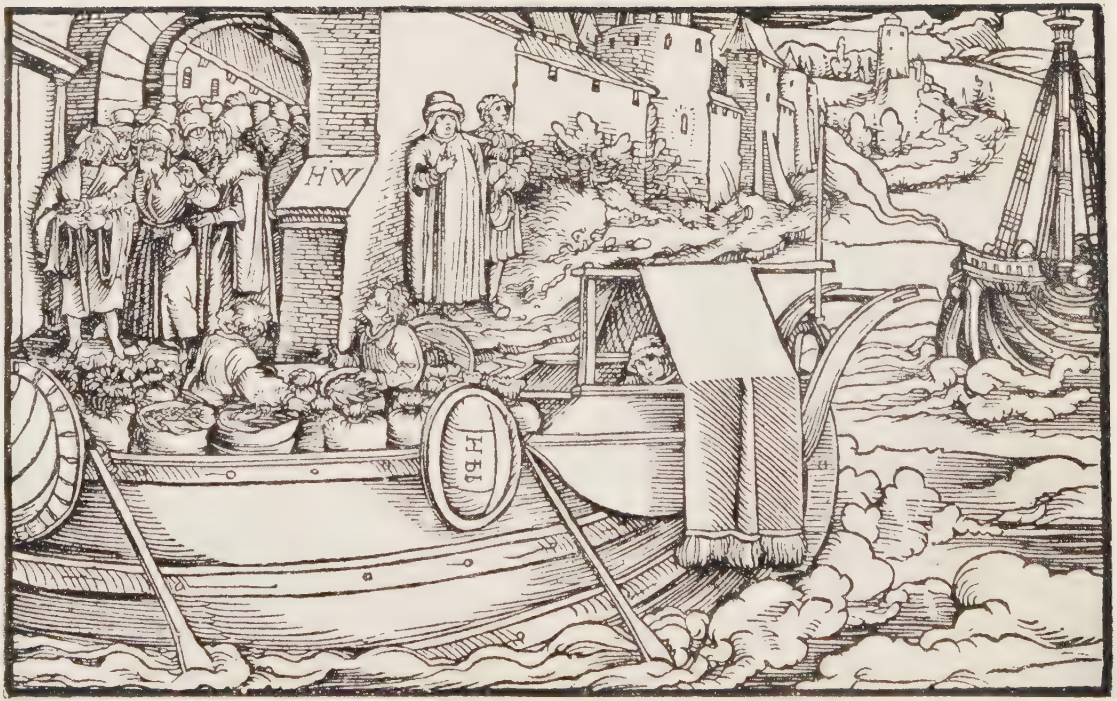
Ulrich Fugger died from the effects of an operation for stone in 1510. He is described as "a fine, friendly, pious gentleman"; but that he had "a head of thick white hair that beseemed him honestly" is hardly of as much importance to the readers of his history as it was to him. He left several sons and daughters, but his sons died childless, and with them the family of Ulrich ceased.

Four years before his death his brother George also died, and his two sons, Raymond and Anthony, became the founders of the Raymondian and Antonian lines of the Fuggers, and thus the common ancestors of the succeeding race.

[1] The Welsers attained the then considered unprecedented glory of marrying one of their daughters to the Emperor of Germany, a match commemorated in Augsburg to this day by the Philipine-Welser Strasse.

Meanwhile, though Ulrich, as the eldest brother, was the head of the house, Jacob, working in the background, exerted a very strong influence almost from his entry into the business, and the family history gives to him the post of honour as the real founder of their world-wide power. The *Mirror of Honour of the House of Austria* speaks of him as " the chief instrument in the exaltation of his line," and in the *Chronicle of the Entrance of the Herren Fugger into the City of Augsburg* it is recorded that he had " permanently enhanced the name and line of the Fuggers in honour, trade and possessions."

Jacob was born in 1459. As has been stated, he was intended for the priestly calling, but on the death of his brother in 1473 left his canonry to devote himself to the business, which he and his family considered as their inheritance. He was sent first to Venice, where the Fondaco dei Tedeschi, allotted by the Venetian Republic to German merchants, had existed from the thirteenth century. This former caravanserai and emporium of the German nation still stands on the Grand Canal immediately to the east of the Ponte Rialto. The building is three storeys high, square in shape, containing a square courtyard, and with a stately gate upon the water front. On the ground floor were the store vaults, the first two of which were the property of the Fuggers of Augsburg. Here then, in Venice, the high-school of the merchants of that day, Jacob Fugger acquired an excellent commercial training, made valuable acquaintances, and gave some proof of his great versatility. He also travelled to the chief seats of European trade and gained much experience, which he turned later to so good an account for his house as to win for himself the title of the " richest merchant in Europe " ; and he married a wife Sibyl, the fair daughter of the merchant prince Artzt and granddaughter of that Ulrich Artzt who in 1429 had founded the first trading company in Augsburg.



ARRIVAL IN GERMAN PORT OF CARGO BOATS

IN THE MIDDLE AGES

From a woodcut published in Augsburg in 1539

From the death of his brother Ulrich in 1510, the entire responsibility of the business rested upon Jacob. Having no children, he adopted as partners his nephews, Hieronymus, Ulrich, Raymond and Anthony, and gave the firm the name of Jacob Fugger and Brother's Sons. He continued with great firmness the policies of the house as maintained by Ulrich, and kept up the connection with the Indies, via Portugal, then the uttermost ends of the earth, but the old trade in spices, wool and silk had gradually made way for mining enterprises and for speculations in banking, which were very profitable at this time in the commercial history of Europe when conducted with the necessary wisdom and experience. From banking developed the allied industry of coining. His house advanced large sums to the Archduke Sigismund of Tyrol, who was always in want of money, and received in return the entire output of the rich silver mines of Schwarz. From this source they received a revenue of 200,000 florins each year. They then bought up all the copper that Schwarz could produce. Their mining transactions became greater and greater, and their house continually more powerful. But it is not necessary to detail here the many mining and smelting operations of Jacob Fugger. It must have been an intensely interesting and delightful occupation, and carried with it a romance of trade difficult to surpass. The world of commerce was still restricted. They had first to deal with the princes and emperors as the original owners of the mines. The mines were scattered, and often in a hostile district; and their market was in Venice. Their risks were high. If successful they gained much, if unsuccessful they lost their entire stake. Surely this was a zestful game and one well worth the playing.

The superior judgment and ability, added to the great available capital of the house of Fugger, turned most of their ventures into highly profitable transactions, but the political conditions of Europe were in such an unsettled condition that it seemed wise after about 1510

to withdraw from a field of labour which was growing less profitable and less satisfactory. They sold most of their mines and concessions, though ruins of castles and strong guard buildings built by Jacob Fugger in what were then rich mining districts are to be seen even to this day scattered throughout the central portion of Europe.

So by degrees Jacob made his business conform more and more to that of banking, but of banking probably not as we usually understand the term, but rather as conducted by the great private financial houses of Europe and America. He was a financier who controlled and directed enterprises great for those days, and through the power of money received no doubt the lion's share of their profits.

In the year 1511 the Emperor Maximilian conceived the project—sane or mad—of making himself Pope, and turned to the richest merchant in Europe for the necessary funds. He received help, and placed various manors in pledge with the house of Fugger, a number of which were never redeemed ; and to show his gratitude elevated certain members of the house to the nobility, and nominated them to the Imperial Council.

To call upon the Fuggers for financial aid had become almost a habit with the emperors and princes of Europe, but old Jacob was not so dazzled by this clientele as to forget that the use of money is worth money ; and he does not seem to have been held down by any laws against usury. When, for example, in 1514 Albert of Brandenberg was consecrated Archbishop of Mainz, the Fuggers lent him 2000 ducats for the discharge of the Pallium fees to Rome, a loan which Albert promised to pay back on a day fixed " in good Rhenish florins at the rate of 140 gold florins for 100 ducats, together with 500 Rhenish florins for trouble, risks and costs." We are not surprised later to learn that when Leo X. began to promulgate his Indulgence for the building of St. Peters, and the Indulgence money had to be collected in various parts of Germany by the newly elected Archbishop of

Mainz, that the Fuggers kept in close touch with their debtor. A representative of the firm accompanied Tetzel, preacher and seller of the Papal Indulgence, on his travels, and this representative *carried the key of the Indulgence box*. When the box was full it was opened in the presence of both. Its contents were counted, a receipt given to the Archbishop "on account," and the money duly handed over to Andreas Mattstedt, the Fuggers' factor at Leipsic. One half of the amount was forwarded to the Curia by the Roman factor of the house, while the other half went toward payment of the firm's claims against Archbishop Albert.

Faster, and more surely, did the Fuggers draw near to the attainment of what was the highest pinnacle of their fortune. The time was at hand when, in the struggle for supremacy between the houses of Hapsburg and Valois, they were to throw their millions and the immense weight of their influence into the balance and, in throwing, win for the Hapsburgs the Imperial crown of the Holy Roman Empire. This occurred in 1519 with the election of the Emperor Charles V. The Fuggers had first entered into business relations with him at the time when Charles was master of the Netherlands alone, and he also admitted having received the most substantial services from their house on the occasion of his accession to the Spanish throne. Charles's rivals at the election were Henry VIII. of England and the French King, Francis I., who expressed himself ready to spend on the election half his yearly income, reckoned at 3,000,000 thalers, a statement which allowed the German electors to bring increasing pressure to bear on Charles and demand either ready money or the sureties of German merchants of the highest standing. While Francis (whose promises, without doubt, would never have been kept) was always short of ready money, the Hapsburger found seemingly endless resources continually at his disposal. But when his negotiations with other German and Italian firms grew less satisfactory

and he found that the price of the electors had risen first to 200,000 florins and by the beginning of March, 1519, to some 700,000 florins he again appealed to his apparently ever-ready friends, the Fuggers, who further aided him by advancing the huge sum of 543,000 florins, and took as security bonds or acceptance of bills.

The battle of votes was won and Charles became the ruler of the Holy Roman Empire, owing his history-making success almost entirely to the liberality and financial ability of the great family of German merchants, the Fuggers.

But Charles soon became lukewarm in keeping his part of the bargain, and the sturdy Jacob (who was a merchant before he was a courtier), losing patience, dictated this letter, which has become a monument of a business "dun" from the sixteenth century man of finance. He wrote:

"Your Imperial Majesty is doubtless aware how I and my cousins have ever been ready to serve the House of Austria and aid in its welfare and advancement, and how we, to assist your Majesty's ancestor Emperor Maximilian and yourself, have given our bond to divers princes, and have furthermore supplied your Majesty's commissioners with a considerable sum of money, whereof we have been obliged to levy a great part from our friends. It is also well known and certain that your Imperial Majesty could never have realized your ambition to receive and hold the Roman crown without my help, as I can prove by documents in handwriting of your Majesty's own commissioners. Herein I have not looked to mine own advantage. For, had I been of a mind to stand aloof from the House of Austria, and given help instead to France, it had profited me much both in money and land, which were offered me. What detriment this had worked to your Imperial Majesty and to the House of Austria your Majesty in his high understanding may well conceive."

This letter, even bolder then than it reads to-day, demonstrated the intention of Jacob to consider "a trade, a trade," no matter with whom he made it. Charles not only recognized clearly the truth of his

friend and banker's statements, but saw that the truth was too evident for him to withdraw his Imperial favour, and the discharge of the Fuggers' loan made rapid progress.

The time was approaching, however, when the great head of the house was to be conquered by the all-conquering death. The business had increased to world-wide proportions; he had carved the name of his family deep in the commercial history of his times and he had filled his life with the romance and success of Commerce. The contemporary Augsburg chronicler, Clement Sender, wrote of him:

"The name of Jacob Fugger and nephews is become known in all kingdoms and lands, even among the heathen. Emperors, kings, princes, and governors have sent their ambassage to him; the Pope has greeted him as his beloved son and hath embraced him; Cardinals have risen before him. All merchants in the world have pronounced him an enlightened man, and the heathen marvel at him. He has become the glory of the whole German land."

Nor are there lacking other personal details of considerable interest. He is described as "a handsome, stately man, carrying his head bold and high"; and his portraits show his hair to have been usually confined in a gold-embroidered cap. He was of a happy disposition, as well he might be, since he regarded his business joyously as a great game, and, unlike many a business man of the twentieth century, never allowed the moves or strokes of his rivals to affect his appetite. His nephews heard him repeat often that he "never suffered from sleeplessness, but ever put from him, with his shirt, all business cares and vexations."

The snobbish air and assumed over-dignity so often met with in moderately successful men were entirely foreign to old Jacob Fugger, who, unlike his Uncle Andrew, was polite and courtly to every one. Modest and upright in his dealings, his continual elevation to a higher and higher position in wealth, in prestige, and in

titles in no way affected his naturalness. Nor did he hoard his gold as did too many of the rich men of his time. To lock it in strong boxes was not his notion of success: he was the master of his wealth and not its keeper only. If he made money, he spent it readily in the manner befitting a gentleman. His entertainments were in the grand style of his time and rank, but he was ever ready to put large amounts to the most beneficent uses, and by his wise philanthropy gained great honour throughout the kingdom and in foreign courts.

Fugger was not only a merchant, his character was well rounded. He was a great citizen, and stood for the enlightenment and development of his house, his city and his country. He was a patron of the Arts, particularly of literature, of horticulture and of architecture. He loved books, and was the first of his family to found a great library. His own beautiful grounds and garden were esteemed by all who knew them as the equal of the royal gardens at Blois and Tours. To architecture he added the celebrated Fugger House or Fugger Palace, which still may be seen in Augsburg. While this remarkable edifice has been somewhat altered from the original design, it still shows the interesting and artistic exterior decoration. But perhaps the most lasting work of Jacob Fugger was the foundation of the Fuggerei, and all who visit Augsburg are shown, among the first of its interesting objects, this unique creation of its leading citizen in the year 1520.

Jacob determined to solve for the Fugger workmen the difficult problem of housing, then, as now, a burning question in a commercial and industrial town with a constant influx of immigrants. For Jacob also believed in the policy of bringing to his city such racial ability as was not naturally inherent in his own people. We know to-day that the trend of thought and endeavour of the Latin race lies in an entirely different direction from that of the Anglo-Saxon. Why is it not wiser to import such ability as is, and always will be, foreign to our

IACOBVS FVGGER SENEX.

temperaments, when such labour is necessary to the accomplishment of our desires?

After all, there are certain things that the Anglo-Saxon finds it infinitely easier to perform in Latin countries than the Latin himself, and England, as we hope to show in another chapter, owes one of her greatest industries —the woollen—to exactly this policy. Fugger knew that his German workmen could weave and dye cloth superbly, but there were some things which, if they did at all, they did clumsily. For such work he imported the finer-fingered Italians, injuring no one at home by a competition in which they were so unequal, but instead, increasing the entire commerce of his own country by including a greater variety of workmanship.

And Fugger felt that the workmen who had grown old in the service of his house must be provided for. With this thought in mind he bought a large piece of ground, then in the immediate outskirts of Augsburg, and laid out six streets in which he built fifty-three excellent houses, each of which contained two dwellings. The rent for each dwelling was then, as it is to-day, only one florin a year—this is now the equivalent of about three shillings. One of the residents was appointed foreman, and it was his duty to collect the rent, all of which was to be spent in keeping the houses in repair. After four hundred years these substantial, very clean and inviting dwelling-houses still remain. The Fugger works have disappeared; Augsburg is no longer a commercial town; and the chief officials of the city now keep the Fuggerei filled with the families of the worthy poor of the community, a splendid monument to the intelligent but not extravagant munificence of this great man.

Jacob Fugger died soon after completing this last of his undertakings. It was insignificant in size, cost and pretentiousness as compared with hundreds of the projects which his busy mind had conceived and carried out; but its charming simplicity and kindly benevolence have done as much as anything to perpetuate his memory.

Jacob was childless, and with him his line ended. In his will he left his business to his two nephews Raymond and Anthony, and the latter, as the stronger of the two, was to be the head of the house.

It is perhaps hardly necessary to follow in detail the further fortunes of this remarkable family, but a general view may be taken of their continued accomplishments. The period of Anthony's administration may be called the zenith of the Fuggers' prestige. Like a great tree, the roots of their house had grown deep in the fertile soil of the world's respect and confidence, and the later members of the family gathered the fruit of the great Jacob's ability, energy and foresight. More and more the hereditary princes and emperors of the several States of Europe courted the Fuggers; more and more they came to be looked upon as the bankers and financiers of the nations. The map of Europe was maintained or changed by their aid, and the battles were decided in the counting-house of Augsburg, rather than by the armies of soldiers on the field. They had become a world power, not through diplomacy, not through an accepted inherited right to rule, but through their almost unlimited ability to provide the "sinews of war." They made many alliances with the German and Bohemian nobles, yet we can discover no undue effort on the part of Jacob, Anthony or any other member of the family to obtain a title or princely recognition for the great part they were playing in the world's commerce and finance, though honours of this kind were much more highly considered then than now.

It was Anthony who proved that kings held no patent on kingly deeds by burning in the Emperor's presence the paper which Charles V. had given to the Fuggers in acknowledgment of an enormous loan. But Charles V., while not always a prompt payer, as this incident shows, was not altogether unmindful of his deep obligation to his bankers. In a document dated Grenada, June 30th, 1526, he granted the rank of Count to the brothers

Raymond and Anthony and their cousin Hieronymus "with all the heirs of their body and heirs' heirs of the male line." And in the course of the Diet of Augsburg on November 14th, 1530, he raised "Raymond, Anthony and Hieronymus Fugger and the lawful heirs of their body and heirs' heirs of both sexes, even them that had the name of Fugger, to the rank, title, dignity and company, grade and honour, with their noble and knightly privileges, of counts, bannerets and barons." To these privileges many other licences and immunities were added. The most important of these were the following:

"1. The Fuggers are confirmed in all the privileges granted to them by the Emperor Maximilian.

"2. The Fuggers are elevated not only to noble and knightly rank but also to that of Counts, Bannerets, and Barons; they are assigned a seat on the Frankish Imperial Bench of Counts, with all the Rights and Privileges of the position, namely, that of sealing documents with red wax, receiving countly, knightly, and baronial enfeoffments; of calling themselves by the names of their holdings, and in addition, of exercising the high rights of the judicature.

"3. They and their descendants are taken under special Imperial protection as regards their possessions, lands, and goods.

"4. They are exempt from all civic duties.

"5. They are granted the right of leasing their estates, but with the stipulation that they shall pay all dues on their landed property with the exception of supplemental taxes.

"6. The privileges of the places where they lived, should they be prejudicial to their own, shall become null and void where theirs are concerned.

"7. They shall in no case be proceeded against elsewhere than before the Town Court of Augsburg, but shall be free from the jurisdiction of the Council and its officers.

"8. And if the City of Augsburg wish to prefer a civil or criminal claim or charge against them, they shall only be proceeded against before the Emperor himself.

"9. Then they, their servants, connections, and relations shall not be cited before any foreign court, especially the courts of Rothwell and Westphalia."

These and other rights were given them. They were granted permission to make use of their privileges then, or in the future, nor could they be compelled to produce the original document, but needed only to exhibit an attested copy; and that they might be more readily protected in their privileges, the most eminent bishops, dukes, abbots, counts, priors and free towns, and even the Roman King Ferdinand, were constituted their guardians, commissaries, referees and protectors. As such the Emperor Charles V. appointed:

"King Ferdinand, his brother, the Archbishop of Salzburg, the Bishops of Bamberg, Wurzburg, Eichstadt, Speyer, Constance, Freising, Strassburg, Regensburg, Passau, Augsburg, Trient, Brixen; all the Palatinate counts and princes of Bavaria, especially the Palatinate Count Frederick, Dukes William and Ludwig, and their successors; Palatine Counts Otto, Heinrich, and Philip; Duke George of Saxony, Margrave Philip of Baden, the Governments of Upper and Lower Austria, especially those of County Tyrol and the Duchy of Wurtemburg; the Abbots of Kayserheim, Roggenburg, Adelburg, Maulbraun, Weingarten, Salzmansweiler, Elehingen, and Weiblingen; all the counts of Helffenstein and Montfort; the Cathedral Provosts of Mainz, Bamberg, and Augsburg, and the free cities of Nurnberg, Ulm, Regensburg, Esslingen, Ravensburg, Ueberlingen and Donauworth. As many of these as they, the Fuggers, should choose and call upon to stand by them, whoever should assail the privileges they had been given, should be held responsible for defending the same, and whoever should enfringe upon this warrant should be liable to a fine of 100 gold marks."

When signing the warrant the Emperor Charles V. is said to have declared that he had never granted such favours to any man, and was not minded ever to repeat them in the future.

The supreme position of the house of Fugger in finance was surrendered when, after a series of difficult years which tested old Anthony's nerve and ability to the utmost, he was succeeded by his eldest nephew Hans Jacob Fugger, who was in no way equal to the task.

MAP OF AUGSBURG IN XVTH CENTURY

From an old engraving in possession of the Author

The house at the moment required a strong hand and the ability of another great Jacob. The enormous calls upon its treasury had impaired even its wonderful resources, and the unfriendliness of Philip II. of Spain had proved that even lending to princes has its drawbacks, especially when no army stands at the back of the creditors to enforce the collection of their loans. The times were bad: during the years 1557 to 1562 the financial and commercial credit of all Europe was shaken to its foundations. Charles V., who owed his throne to these princes of commerce, grew more indifferent to his obligations, while the bonds which he had lodged with them became less and less of a security.

Anthony lived to know that his house was threatened but not long enough to bring it safely through the panic. From that time the business began to decline as a world power in finance. Competition was strong and everlasting vigilance is the price of success in commerce as truly as in battles or diplomacy, and for this vigilance the business must look to its chief. Hans Jacob Fugger was the first head of the family who possessed no marked ability for business. He was endowed by nature with splendid intellectual gifts and a noble mind, but business capabilities and a devotion to the needs of the firm were not his.

Further details are unnecessary. The house of Fugger, though no longer a dominating power in Europe, still enjoys a position of importance in Augsburg, where the splendid palace built by Jacob is a continual reminder of its wonderful achievements in the fifteenth and sixteenth centuries.

VI

THE HANSEATIC LEAGUE

ERRINGS—their pursuit and capture—were the ostensible cause of the formation, as far back as the thirteenth century, of the great League of Hansa Towns; a league or union which for some three or four hundred years was one of the most powerful, arbitrary and virile of any of the old combinations of merchants for the control of commerce.

Yet what were the actual conditions of the time against which merchants had to contend? The kings of the little States were as supreme as the kings we read of in fairy tales: they owned not only the lands and the cities, but ruled with a despotism which, to the man of red blood and any self-respect, must have been almost unbearable. Vassalage under the Feudal System had long been established, and the only way for an ambitious man to live in content was to win a kingdom of his own. Failure meant the loss of his liberty and probably his head, while the success which came to but a few out of many rebels meant the adoption of the same course toward the conquered. Might was right, and physical power prevailed. The adroit and dishonest men felt entirely justified in following any method which would produce the desired end. Offenders could be punished if caught, if their captors were physically strong enough to inflict that punishment; but laws, such as they were, and tribunals, conferences and public opinion, lacked strength, and the only thing which counted was the

ability of a good right arm to strike. Perhaps we should except from this general indictment the Pope's power of excommunication, but even this method of moral intimidation had already been used a good many times without the paralysing effect of earlier years.

The strong men of those centuries were the "robber barons," as they were rightly called, for their incomes were almost entirely derived from the hard-working producer who laboured with his hands. And just as the great man from his castle went out with his retainers to rob and kill, so the robber of the sea, the pirate, looked upon every one as his enemy and every one's cargo of goods as his, if he could take it. Wrecking was as legitimate a calling as slave-trading was in England and elsewhere for many years to come, and a wrecker was considered as respectable then as the legal trickster who, in our own days, wins his case by technicalities which every one knows to be absolutely dishonest. For people's ideas of many things, including morals, change as the centuries go by. We hold up our hands and make round rings of our mouths at the bare thought of such an annoying custom as systematic wrecking, yet many of our own most ordinary proceedings will probably be considered as highly immoral by the people of A.D. 2500. The thought is an interesting one and almost tempts us into prophecy.

But while the kings and barons were misbehaving themselves the population of Europe was increasing, and the cities were developing and growing stronger in men determined to put an end to the old despotic ways.

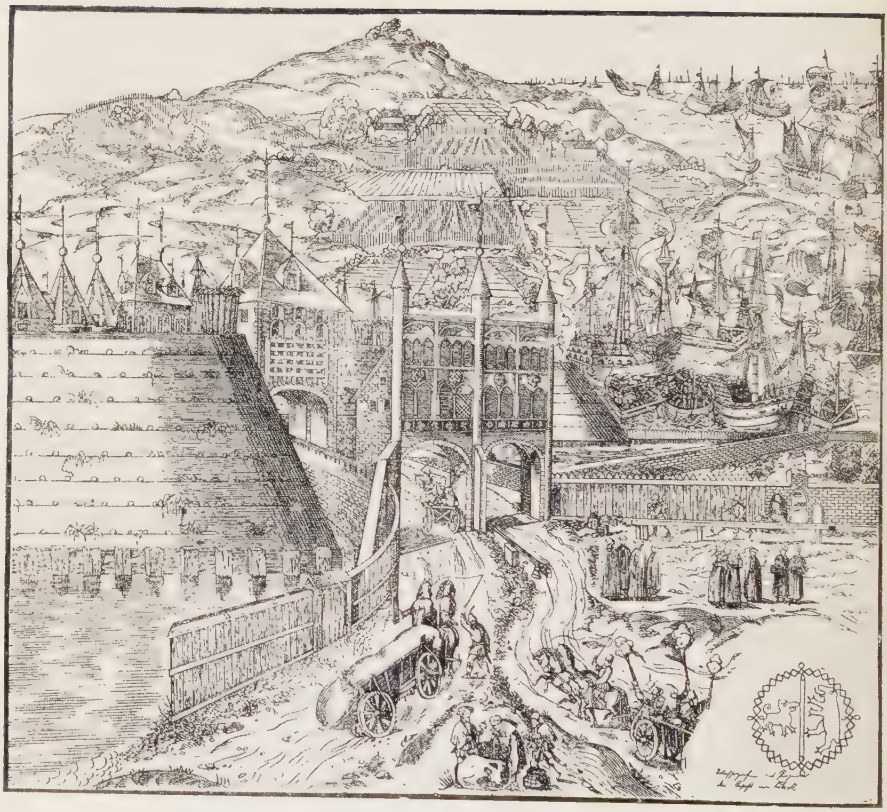
Trade in north-central Europe was beginning at last to exercise a civilizing influence, and the men who sought a common protection against overbearing kings and bloodthirsty robber-pirates of land and sea brought about a confederation of cities already known in A.D. 1241 under the name of Hansa. The origin of the name is not certain. Helen Zimmern, in her work *The Hansa Towns*, tells us that "the word is found in Ulfila's Gothic

translation of the Bible as signifying a society and union of men, particularly in the sense of combatants. It is applied to the band of men who came to capture Jesus in the Garden of Gethsemane."

But the actual and accepted formation of the confederation was a matter of slow growth. Its very existence was illegal, unions and associations being forbidden within the Empire. Kings and princes were greatly opposed to it, of course (who can blame them?), for its aim was to win and hold a certain power which royal families had always regarded as their own peculiar right, and it was only in 1370, after the combined cities had waged a great war against Waldemar of Denmark and concluded it with the Peace of Stralsund, that the cities came out into the open, as it were, and officially took the title of " The Hanseatic League."

The honour that is due to pioneers must be given in this instance to the city of Lubeck, which induced and indeed forced the several other cities of Hamburg, Bremen, Cologne, and Weimar to join in insisting on their rights. Each act of injustice, each arbitrary deed based on no principle but might, served but to strengthen their determination. And the climax was brought about, as we have said, over the matter of herrings.

Europe was then Catholic from end to end, and, in obedience to the teachings of that faith, fish formed the chief food of the people on every seventh day, and fish took the place of meat throughout the six weeks of Lent. Herrings were a cheap and favourite article of food, and the great Baltic Sea was the best fishing ground in the then known world for these small but much desired members of the finny tribe. But the Baltic was controlled by Denmark, then a powerful nation whose king was mighty and autocratic and entirely disinclined to listen to suggestion or interference from anyone. This was the redoubtable Waldemar III., the Waldemar who came to the throne in 1326 as a boy of only twelve, but what a boy! He



LUBECK

(ABOUT 1560)

SHOWING THE HIGHWAY WITH MERCHANTS' CARTS AND THE HARBOUR

From a woodcut possibly by Altdorffer

soon showed his elders that he had a mind, a will and an ambition of his own. At the beginning of his reign his country was small and distracted with many vexatious problems, both little and big, but in twenty years Waldemar had changed all this. He united Denmark and made it highly respected abroad, and strong in its own local power. His popular title was "Waldemar Atterdag," a nickname meaning, "there is yet another day." It typified the King's character. He felt that an object aimed for, a goal striven for, if not attained at once, could still be won on the morrow, if not to-day. His was not the nature to despair, but to wait if necessary, and win when win he could. At all events Waldemar made his little kingdom something which had to be reckoned with, and with his own and his country's advancement he became less amenable to petitions, if they did not suit his purposes. So when Lubeck and her sister cities approached him regarding the rights of the herring fishery and some other associated matters, he told them, not too politely, that their wishes were of no interest to him, and that they must find some other occupation than fishing for herrings in the Baltic Sea. Thereupon the cities did the only thing which could be expected of men of red blood; they decided to force from Denmark what peaceable and beautifully illuminated petitions had failed to win, and after a period of quiet preparation, that Waldemar was too wideawake to ignore, they declared war, though not before he had taken the first step.

The story of the war with its victories and defeats, its treacheries, its love-makings and its legends is a fascinating one, and goes far to show what the people and the kings were made of in those days, but it must be sufficient for us to know here that the League won in the end, and glad enough they were to stop fighting. Their game in life was Commerce, not war.

The first recognition of their increased importance and enlarged portion in the world powers came when

the renowned Emperor Charles IV. expressed his desire to visit the "great city of Lubeck." The hint was accepted, and a formal invitation given, but when he appeared before their gates his retinue was so numerous that the experienced men of Lubeck hesitated before admitting them all, for they knew kings and their methods too well to be other than careful in trusting them too far. However, finally, they let them in, and for eleven days entertained them with such splendour that Charles's respect for this northern city developed into fear. The thrifty, successful merchants had gathered much wealth, and wealth has always meant strength.

Charles left Lubeck a wiser but not a happier man. His visit, even in those days, when the art of publicity or advertising was young, became the talk of Europe, and Lubeck was accepted as the most important city of the northern states. Her leadership was from that moment acknowledged, and the Hanseatic League sprang into a very high position indeed.

With a succession of victories and honours the League now began to exercise its newly acquired power in a manner not always just and fair. All men are made of the same clay, and all, more or less, in time seem to be influenced by the same passions and desires. In those old days kings and people in high authority, with increased power, grew more and more autocratic, and to these wonderful old merchants came, with a greater ability to have their unimpeded way, an inclination to override any who opposed their wishes.

The small cabal of cities composing the federation found themselves continually approached by the merchants of other cities who wished to join the League. Its trade advantages were enormous, and those outside its list found themselves opposing a combination which made competition almost prohibitive. The heads of the League, accepting the maxim that "in Union there is strength," admitted town after town into their charmed circle, but always under arbitrary and absolute

LUBECK AND HAMBURG IN 1572

From an engraving in the British Museum

conditions, and woe to that town which transgressed them. Thus, for example, Bremen was expelled in 1356. It came about in this way. Trading with Flanders was prohibited during a certain period. One of Bremen's merchants, however, overstepped this rule and the city was called upon by the League to discipline her refractory member. Bremen, over-estimating her strength, declined to do so, and took his part instead, with the result that she was expelled and totally cut off from the advantages of the Union, so that "for the thirty miserable years which followed she was impoverished; grass grew in the streets, and poverty and desolation were everywhere in her borders"; nor was her reinstatement made easy. At another time Brunswick was the culprit, and when after six years of fearful poverty she craved for pardon and reinstatement, two of her burgomasters and eight of her chief citizens walked bare-headed and bare-footed, carrying candles, from the Church of Our Lady in Lubeck to the town hall, where the Council of the League was assembled. There before a great audience they confessed upon their knees their enormous error, and implored the Council to pardon them for the love of God and the honour of the Virgin Mary. Lubeck was the absolute and unquestioned leader. Her population numbered 80,000. Her merchants were the most powerful. Her commerce was the greatest.

Let us briefly survey the range of commerce which this fascinating old federation attempted to control. Let us view for a moment its romance, its charm, and its methods of overcoming its difficulties, and let us at the same time call upon our imagination to place us back in those dark ages, when neither printing, steam, electricity, nor a hundred other of to-day's necessities had been discovered, and when gunpowder had not deprived walls and castles of their ability to protect.

The northern part of Europe was still sparsely peopled, and the entire population was very small. The large cities north of the Alps were few, and none were

sufficiently great in numerical strength to seem important to us of the twentieth century. Certainly all the chief towns were included in the list of the 130 in which the Hanseatic League had its factories or offices.

Trading was carried on in ways and by methods which we of this century should feel to be almost impossible. Commerce had to be created. Requirements of the people of distant countries had to be studied and considered, and these requirements met by merchandise of a new kind. No post, no railways, no telegraph—all had to be gained by the individual effort of the travelling representative, who was obliged to study the needs of the people to whom he wished to sell. If we had more of that spirit in our commerce to-day we should all be better off. Great, almost impenetrable Russia, offered a vast field for effort, and the Hansa merchants sent their hardy travellers by tortuous journeys to her market centres.

Traps were needed in the snowlands of the north, and these were supplied in part payment for the furs they caught. Catholic Europe had need of wax candles as well as herrings, and for the wax our traders looked to Russia and the " honey-trees " of her forests. Leather, skins and tallow also came from the great territory of the Czar, and we can see the heads of the Hansa studying the crude maps of the East, and debating how best to win and control this important branch of commerce. It is the same old story of adventure and romance acted again by a different race. The irresistible magnet was gold.

But many other articles of trade were dealt in by the Hansa. There were the wonderfully dyed fabrics from South Germany, and fine woven cloths from the skilled weavers of Flanders, and the coarser but honest woollens from England. Beer, mostly heavy and quite intoxicating; chemicals of various kinds; fine woods for building, as well as lime and stone; fruits from the South; herrings from the Baltic; wines from Spain;

the delicate merchandise which the merchant-sailors of Venice brought from Constantinople and the Far East, —these and other products of the earth, the sea, the workshop and the loom were traded in at a fair rate of net profit by the hard-headed men of commerce who composed the Hanseatic League. And, as was the custom of the time, they acted as bankers as well, many members of the so-called Royal Families of Europe being seriously in their debt.

In these early years there was no speculation as we understand the term. All commercial transactions were "legitimate," if we may use the word. Goods were bought outright and delivered. Futures and Puts, Calls and Corners, and buying on margin, were the invention of those who came after. Payments were made in coined money or by exchange of merchandise. Bills of exchange were unknown, and credit, when given, was always accompanied with surety, though in certain towns and in certain branches of business even this was prohibited; a condition which would make the doing of business to-day a very much restricted affair.

Lubeck coined the best money, adopting the Flemish and other names for the coins. Originally the British pound represented a pound in weight of silver. This was divided into twenty parts, or shillings, each of which was itself divided into twelve groats—a name taken from the old word "grote" or great and so-called because this coin was of a larger size than those previously in use.

These divisions the Lubeck merchants adopted, and it is because the Baltic Hanseatic merchants were known by their Western customers as "Easterlings," and because the English traders insisted on the best coin in return for their wool, that the pound accepted by the Easterlings, or Ea-sterlings, became the pound sterling of Great Britain.

As the years went by the Hansa extended its field of labour to many towns in foreign countries, establishing

for itself strong outposts, able frequently to defy the local laws, and governing themselves like small principalities. One such station they made of Bergen on the west coast of Norway.

Bergen had held the key for many years to the Greenland passage and had accumulated much wealth. This became the magnet for notorious pirates of the north, and by them the little city was attacked and looted several times. The Hansa, at that period of its history the foe of all pirates, lent a hand in the defence of Bergen and relieved it of its foe, but exacted almost impossible terms as payment. The port suited their growing political ambitions, since from there they could more easily despatch ships against England or Flanders in case of necessity.

The people of Bergen were natural traders but not of great ambition. It was not difficult, therefore, for this powerful League of virile merchants to force their own terms upon the weak Scandinavian king. As the Hansa settlement grew stronger and stronger, the inhabitants of Bergen found themselves forced out of their homes and almost out of their city. The Hansa controlled the harbour and the streets of the town; its members declined to pay taxes, and no local official was strong enough to enforce their collection. All merchandise which came to its doors had to be shown first to the Hansa's representatives, and only what they did not choose to buy might be bought by the people of the town.

In a thousand ways they proved their claim that might was right, but as these servants of the League enforced difficult conditions upon the townspeople, so the head Council in Lubeck required very unpleasant conditions from these same oppressors.

Every one of the colony of 3000 men was vowed to celibacy lest the secrets of the League should be divulged to the women of Bergen. No one was allowed to spend a night outside the confines of the "factory," and

OLD BERGEN

From an engraving in the British Museum

watchmen and dogs were employed to see that this rule was carried out. No employés were permitted to remain longer than ten years, and every one who came was required to go through a regular series of graded duties, beginning at the lowest point, and winning promotion slowly and laboriously. But even with these and many other restrictions posts were sought there by many more than could be employed, and it became necessary in time to make admission to the staff still more difficult. A series of so-called games was therefore instituted, of the coarsest and most brutal kind. Throughout Europe, cruelty was not then regarded as it is now. Physical pain caused mirth, and the greater the pain the more amusing the entertainment. In the Bergen initiatory games, whipping with birch rods until the victim dropped, ducking in the cold sea until he could no longer stand, or choking him with smoke, were but a few of the methods used to keep the list of applicants down, and incidentally to amuse the spectators.

As in Bergen, so throughout Northern Europe these aggressive German merchants established their agents. In Sweden, in Denmark, in the then prosperous islands of the Baltic, in Flanders, in England, they planted their tents and their flag. Each was a successful trading point, each added wealth to the members of the League, but none reflected dignity upon its chief council; and whatever romance there was, was of the coarse sordid kind which as much resembles the real romance as do paper-made roses take the place of the real flower.

As the reader will see in a future chapter, the great fair of Novgorod was established in the thirteenth century, and had been for some hundreds of years the most important trading event of Eastern Europe, and there the Hansa, early in their history, established themselves. German merchants resided there not only during the weeks of the fair, but permanently, and through the far-reaching influence of their League gained for themselves special privileges of trade.

Following their usual custom, they soon created a little district of their own from which they excluded strangers. They built their own shops, stores, German houses, and their own church, and even protected themselves by walls against any possible interference or invasion. They instituted their own laws and elected their own officers and aldermen. Their thoroughness was admirable, but their power made them indifferent to the rights of any, even including the Russians, among whom they had come to live. In case of a native bankrupt, the Hansa insisted and backed up their demands by force that they should be paid in full before any other debtors were considered, and they further required that such bankrupt should be banished from the city with his entire family.

This is but one example of their tyranny, and it is no wonder that they were feared and bitterly disliked by those outside their League.

The Chinese merchants who frequented the fair drew upon their Oriental cunning to get even with the men from Lubeck. They cheated them whenever they could; they adulterated the wax they sold them, and cleverly dyed the furs, and in many ways kept the buyers fully occupied in protecting themselves, while as customers of the Hansa they showed a skill in making claims which would have made the critical twentieth century buyer green with envy.

But even the League met its match in that great Russian Czar, Ivan the Terrible, who, having been successful in other parts of his kingdom, decided that Novgorod—the richest of all Russian towns—must contribute more handsomely to his money chest. The hard-headed German merchants objected. Who doesn't object to increased taxes, and especially when he thinks he has the strength successfully to resist? But Ivan was a fighter with an army, and he swooped down on wealthy Novgorod and looted the storehouses not only of the German merchants but of all who did business in the

BRUGES IN 1580

From an engraving in the British Museum

district. They all fought and struggled to protect their own, but Ivan was one of those strong men of the dark ages whose cruelty and indifference to everything except his immediate wishes, coupled with great power, allowed him to snap his fingers at any foe. He imprisoned the Germans, and only after years of effort were they finally released. Thus ended the power of the Hanseatic League in Russia. It is true that Ivan's successors tried to make it again possible and profitable for agents of the League to trade in Russia, their absence being felt commercially. But Dutchmen and Danes had taken their places. The world moves quickly, and sometimes almost unimportant discoveries change conditions overnight. Their confidence in themselves had been shattered, and the final and insurmountable obstacle was reached when the English discovered a passage to Russia by means of the White Sea and Archangel, thus practically cutting out and going around the territory of the League.

Nijni Novgorod and Bergen were outposts, but Bruges in the fourteenth century was the hub of civilization, and here too the merchants of the Hanseatic League came to establish themselves. The city was one of the greatest commercial centres of Northern Europe. Her people were rich, proud and independent. Her wealth was, as wealth always is, the result of Commerce. Her men of business were called " merchant-aristocrats." Her luxury was superb, her civilization wonderful, her position queenly.

Many nations were already represented within her walls, and trading was coupled with restraint, so that certain modifications in the methods of the League were inevitable. They kept to one section of the city as before. They required all their members to be at home by a certain hour, and limited them to a certain number of years' residence; but the cruel sports, the autocratic ways and the indifference to others were at first absent.

The Bruges " factory " (as their posts were always

called) was most profitable and advantageous to the League. It gave them opportunity to trade with those merchants from the South who were not inclined to seek business in the less refined regions of the Baltic; and it became the chief training point or finishing school for the sons of their merchant princes, who, proud of their calling, desired to perfect themselves in the science of Commerce.

But again the growth of power led their council into paths of danger. They at first suggested, then asked, then urged, and finally demanded, certain so-called rights, until the rich men of Bruges rose in their anger and insisted that an end should be put to this continual encroachment on their trading privileges.

These demands were stoutly resisted, but Flanders was being pulled and torn with political distractions, and no doubt the flame was fanned by the dictatorial methods of the Hansa merchants. At all events, just about this time its sovereignty passed into the hands of the Dukes of Burgundy who, seeming to fear the wealth and credit of the League, allowed them for the time to have their own way. Charles the Bold, who, while he was no lover of freedom and liberty for anyone but himself, made use of them to show his unfriendliness to England, aiding them in every way he could in their own bloodless but keenly fought commercial battles with their competitors in London, to their decided pecuniary advantage and doubtless to his own as well; for what fourteenth-century ruler ever did anything which was not based on utter selfishness?

Death, always the final victor, put an end to the plans of the famous duke, and his son-in-law Maximilian of Austria succeeded him in the sovereignty of Flanders. This prince did what most spoiled young men would do. He was a German, and not in sympathy with the Flemish, and after he had shown his dislike of them in little and big ways for a sufficiently long time to tire out the patience of the strong men of Bruges, they

inaugurated a quiet little revolt, and locked up the petted son of luxury and pigheadedness to reflect a while upon his folly.

A pleasing story—perhaps entirely legendary—is told of this imprisonment. The Court jester, to show his love and loyalty to his unfortunate prince, planned his escape, and after preparing rope ladders, fleet-footed horses, disguises, and all the paraphernalia which usually accompany such fairy-tale adventures, he jumped into the canal one dark night to swim to his master's prison. But these things are rarely managed without a hitch, and the Court jester proved himself not only a jester but a fool as well. He entirely overlooked the noise which accompanies a bold plunge into the water, with the result that the royal swans were frightened out of their wits and set up such a racket as only frightened swans can; furthermore, they attacked the poor would-be rescuer and forced him to swim and then run for shelter. We can see in imagination or in almost any musical comedy plot what happened. The scheme was discovered, the people became more irritated and Maximilian was kept more closely confined. But on his release, this older and probably wiser prince managed at last to wreak his vengeance on the people of Bruges. With the help of some of his numerous cousins and others who wanted kingships to continue, he gathered an army together, attacked the city and destroyed as many businesses as he could. Nor was this the only reason for its fall. The water-ways on which its trade depended were rapidly silting up, and by the year 1500 Bruges was a flourishing and opulent city no longer.

The Council of Lubeck prudently transferred its factory to the rival city of Antwerp, which speedily acquired the mantle which Maximilian tore from Bruges. Antwerp was the commercial Venice of the north until the action of Philip II. and the wise and aggressive competition of England's merchants under

the leadership of Sir Thomas Gresham caused it to recede to a minor place, just as many a city, many a business has had to do since.

. . . . . .

The Hansa traded with France, but possessed no "factory" within her borders. France was largely an agricultural country and was too poor to bother with. She had but a small navy, and her requirements in the direction of shipbuilding materials were almost nil. She produced wine and salt and bought herrings and smoked fish, but all such transactions could be carried out easily from these Flemish posts.

They dealt with Spain both under the Moors and the Spaniards. The Moors affected to despise commerce, and went the way of all who adopt this peculiar attitude. Spain and her people have never gained wealth from commerce, and as a result after those centuries when capture and confiscation passed—when Spain's strength of arms ceased to inspire awe, her star began to set. The Hansa's transactions with Spain were never noteworthy; but in Portugal they did more. The factory was established in Lisbon, and thus kept in touch with the trade of South-Western Europe.

In Venice the League also possessed a post, but under certain restrictions that prohibited much development of their trade. The still beautiful Fondaco de' Tedeschi on the Grand Canal was their bureau, but it was never more than the dwelling-place of the German merchants during the short trading period of the year. They came with their merchandise, and received the keys of the Fondaco from the authorities of the city. They occupied the fifty-six rooms of the building for the moment, but on their departure again handed over the keys, and beyond this the rulers of Venice would never allow their authority to extend. Even during their presence in Venice three citizens of that city, under the title of Visdomini de' Tedeschi, with their Italian secretaries,

always lived in the building, to keep careful watch of their actions and account of the goods bought and sold.

London, the growing trading outpost of the West, soon forced itself upon the attention of the League. It was evident in Lubeck that they must have representation in the chief city of England. Individual merchants of Germany had long traded with the men of England, and various kings had in return for personal favours granted special privileges to these rich men of commerce. Richard Cœur de Lion had borrowed from the merchant princes to pay the heavy ransom demanded by Austria for his release from imprisonment, and we find him soon after, no doubt as part payment of the debt, granting to his "beloved burghers of Cologne" a letter of freedom from the annual rent or duty, and a relief from all taxes due upon their persons or their imports. King John felt the pressure of the same rich men of Cologne before he was willing to renew these favourable terms, and all succeeding kings were forced into a similar complaisance until Sir Thomas Gresham won for England a position of financial leadership and independence.

The Hanseatic League made their headquarters in London on the left side of the river in Thames Street, close to Dowgate and just above London Bridge. Dowgate was in those days the only gate that commanded the water. Their factory was first known as the "Guildhall of the Germans," then as the "Easterlings' Hall," and from this as they grew in importance and size to "The Steelyard," which seems to have obtained its name from the fact that here was located the great scale of the city of London upon which all exports and imports were weighed.

Yet while the money-hungry kings favoured this foreign trading centre on account of their financial obligations, the citizens of London disliked its presence in the extreme. No mob, formed for whatever purpose, failed to make it an object of attack, and whenever a

crowd, with more muscle than discipline, could do so they drove the foreigners to seek protection behind their high defended walls. The Steelyard became a guarded city within a city. Its huge buildings and gardens, its residences, playgrounds and markets, all differed from the English-built buildings without the walls, and in no outpost of this great and powerful League was finally greater independence enjoyed by its members than here in London, where the rulers of these islands came, cap in hand, begging for loans. Its members enjoyed the benefits of England's laws in as far as they suited their purposes; beyond that they made their own laws and carried them out with their own officers. The League was organized for one and only one purpose, namely, the development of trade, and its consequent profits to its individual members. Its aim was one target, not many. It lived, breathed, studied and achieved for one thing. Its stake was gold, the cup it fought or played for was the coined gold piece. The shrewd commercial men of Italy had become bankers and sought profit as financiers, but the bolder, more romantic and more hazardous channel of buying and selling of merchandise appealed to the rougher, harder-natured men of the North.

We cannot help admiring the superb strength of purpose of this wonderful organization. In those ultra-religious centuries, when the flower of the youth of most countries adopted the Church as their life's work, when artful diplomacy, treachery, war and strife dissipated the physical and financial strength of nations, when the earth was only half discovered and great possible stakes offered themselves to be played for, this body of merchant princes never forgot its own principles.

The League cared little for the religious controversies which frustrated men's efforts in those bigoted times, for while its individual members were Catholics, the Church was only allowed a subordinate place in its scheme when furthering its real ends. Politics and

OLD LONDON, SHOWING THE STEELYARD

From an old line engraving

diplomacy were only admitted on the same footing. It attempted no political conquests, but its loans to those who played at that dangerous and often unprofitable game invariably brought in a good round interest.

It let others be discoverers. It could not be drawn into any unprofitable undertaking, and at a time in the world's history when men's feelings were apt to run high it always held aloof from the wild and sentimental and "stuck to its bush." And this union controlled a greater portion of the commerce of Northern Europe than any man, company, or nation has ever done before or since.

Its ramifications indeed were almost endless. For example, when piracy became prevalent, and the various rulers of Europe seemed indisposed to suppress it, or more probably were incapable of doing so, the Council at Lubeck decided to open a well-organized piratical department. If money was being made out of that branch of business they would adopt it too, taking care to do it better from the pirate's standpoint than anyone else. Conscience never entered into the plans of the Hansa's leaders, and, after all, piracy seemed hardly a crime in the days when might meant right. It was looked upon rather as a not entirely happy kind of competition, and accepted with much the same resignation as the smaller competitor of our own day exhibits towards the severe competition of the trust.

At all events, the strong men of Lubeck proceeded with their usual skill and experience to produce a perfect organization that helped them to become even more independent and autocratic than before. They addressed a letter to Henry IV. of England which to that proud monarch seemed "full of pride and audacity," and to it he replied in the same spirit. Not obtaining what they had demanded by written words, they proceeded in company with England's various enemies to worry the English, making it difficult, almost impossible for the English merchant marine to carry on business.

Henry naturally retaliated. He caused the Steelyard to be attacked, and took possession of this important depôt, and imprisoned and killed all whom he found there. But the Hansa soon found ways of revenge. Strong as they were in ships, and with the advantage of a personal arbitrary management, they closed their ports of trade and all harbours on the Baltic to such English ships as were left, and seized as many as they found on the high seas. Commercial war became war in earnest, and they carried it into England itself, attacking the sea towns, looting them, and hanging all whom they captured. Henry found himself beaten, not by some powerful state but by a collection of merchants, and he sought aid of the Duke of Burgundy to bring this costly and ruinous warfare to an end. A meeting was accordingly arranged at Utrecht, the result of which was a decided victory for the Hansa, as all the privileges they had formerly held were restored to them, and the entire world henceforward regarded them as a power to be reckoned with, equal in strength with nations.

So the great League grew, and added to its wealth and prestige. As its glory increased, and as the times became less turbulent, refining influences made themselves more apparent in the Steelyard. Their architecture became more beautiful, their buildings were more superbly decorated. The great masters of brush and chisel were employed to add to the grandeur of their banquet rooms. A love of pomp and ceremony began to invade the old home in England of the hard-fisted money-making Hansa merchant-princes, and whenever pageants were organized or public ceremonials arranged the first to be called upon to aid and give éclat to the affair were the rich merchants of the Steelyard.

But the time of the decline and final disappearance of the Hanseatic League was at hand. During the centuries in which the several nations of the North were in the process of development, the Hansa, because of its almost one-man authority, had perfected its great and

far-reaching strength and influence more quickly. It found it comparatively easy to force its demands in the countries that were still weak. But in the late fifteenth and the early sixteenth century this wonderful Council at Lubeck, either because its membership lacked men of the astuteness and breadth of view of its early days, or because they failed to keep pace with the changes which the passing years inevitably bring, began slowly but surely to show signs of diminishing influence and prestige.

For these were wonderful years, when steps toward a higher and wider civilization were being taken with great rapidity. An enormous change had been made in the world's day book by the invention of printing. The discovery of the western hemisphere was followed not many years later by the further discovery of the water route to India and the Spice Islands of the East, around Cape Horn.

Soon came Martin Luther, and with him the Reformation, which changed not only the religion of the greater part of Northern Europe but the manners of life as well. The Catholic Church with its many fast-days had been the best friend to the herring industry, upon which the League was originally founded. When the principles of Luther displaced Catholicism the demand for herrings became less and less, and the fish dealers decreased accordingly.

Men began to think for themselves and to recognize their own strength and individuality. The slavish obedience to rules and precepts, whether right or wrong, as held up by would-be controllers of the public destinies, was a thing of the past. Certain matters were right, others wrong, and the great public began to feel that those which were right were what they wanted, and those which were wrong they would oppose, even to the point of forcing, if they could, the heretofore great masters from the position of power which they had held so long.

The Council in Lubeck failed to realize, or at least to

accept, these developments as antagonistic to its old iron-bound policy. It failed to change with the times, and as nothing which man can create can successfully withstand the influence of progress, this enormously powerful, rich and autocratic League was finally swept away like a child's sand castle by the incoming tide.

Lubeck, as we have seen, was supreme in the control of the League, but other half rebellious cities, jealous of the power of their neighbour, were not immune from the influences of the fast developing progress which was then possessing Europe. Internal dissensions followed, and though patched up by the Council, the changes in the manners of thought made the patching only a repair upon the surface. The rift below remained to weaken the unity of the whole great structure, and the commerce of the League and of its many members suffered. We have but to record one final burst of its old time splendour before its final disappearance as the great controlling arbiter of the North.

The teachings of Luther had been accepted in one town after another, but Lubeck until 1521 had held absolutely to its previous faith. Yet even there the little party of Lutherans grew stronger each year, and when the city fathers demanded the support of the guilds in creating fresh taxes they were met to their surprise by the stipulation that they should grant the Sacrament to those who wished it in both Lutheran and Catholic forms.

At the historic meeting when the rulers, with many objections and greatly against their will, finally surrendered and the people proved their strength, one of the most convincing speakers was a certain Jugen Wullenweber whose life was to be dedicated to the League, and whose ambition and ability resuscitated its fading glories for a time.

He was a merchant and a member of the Burghers' Committee, and his extraordinary speech upon the above occasion placed him high in the councils of the League.

Soon after this, on the death of King Frederick of Denmark in 1533, the northern kings, tired of the power of the Hansa, combined to overthrow their authority. Wullenweber grasped the situation at once and, assuming control, seemed to inspire the old company with new fire. It was, however, but the last brilliant flicker of the flame, though in the four short years that elapsed before his death in 1537 he won for the Hansa once again the power to make and unmake kings, to trade as its Council dictated, to force all the world to hold up its hands in deep respect and fear, whenever the Hansa chose.

But the great old League had not been wise. It had failed to adapt itself to the changes which had come to the peoples among whom it lived. Had Jugen Wullenweber lived fifty years earlier as the dictator of the League's policies, its history would have been prolonged. As it was he strove with wonderful ability and temporary success, but, with stronger and more aggressive competition without, with jealousies accumulated and piled mountain high within, his road was a rough one.

He tried to pacify the rebellious towns within the League, and flew from one to another as fast as horses could carry him. He maintained the strong front against the unfriendly kings and princes, and dealt hard blows to prove his fearlessness and the power of the Hansa, but foes within and foes without finally overcame him.

In 1535 he started north and, against the urgent advice of friends, entered the territory controlled by his great opponent, the Archbishop of Bremen. No sooner did he pass the boundaries than he was arrested and imprisoned, and all his previous power and influence failed to secure his release. He was charged with numerous crimes, put to the rack to compel him to confess them, and made to feel in every possible way the degradation of his position. Even his enemies finally tired of heaping upon this great man those numerous cruelties of which the sixteenth century was capable, and in September, 1537, assembled an enormous crowd

of country folk of the neighbourhood from whom a jury of twelve farmers were chosen to decide his fate. The verdict was not long in doubt. Wullenweber was convicted and sentenced to death, his body "to be quartered and torn on four wheels." With his death came practically the end of the glory of this famous Hanseatic League.

Several of its outposts were soon lost, and its nearer "factories" diminished in prestige and power. The Steelyard in London was one of the last to disappear; but as the "merchant-adventurers" of England grew stronger, and were themselves able to supply the English kings with gold, the money of the German Hansa became less necessary and less able to buy monopolistic privileges. Among its strongest opponents was Sir Thomas Gresham.

One by one its cities deserted it. In 1603 only fifty were enrolled under its banners, and of these but fourteen paid fees and had a vote in its councils; yet it was left for the Thirty Years' War, which tore Germany into bits and reduced her rich men to paupers, and her principalities into petty collections of poorly fed, poorly clad people, finally to snuff out this once proud and powerful League of Commerce.

When the Treaty of Westphalia was signed in 1648, all that remained was a certain privilege to the three "free cities" of Germany, Lubeck, Hamburg and Bremen. This freedom was taken from Hamburg and Bremen by Bismarck in 1888, while Lubeck had been obliged to surrender hers some twenty years before. These cities, nevertheless, are still self-governing and independent, though not in their former sense. And thus closes a chapter of the Romance of Commerce.

Commerce brings wealth, wealth brings strength, strength brings mastery, and since the control of her merchant-adventurers ceased, the proud Lubeck of the thirteenth century has never even approached the importance of the period of their sway.

GEORGE GISZE, MERCHANT OF THE STEELYARD

BY HANS HOLBEIN

OLD STEELYARD

INTERIOR

OLD STEELYARD

EXTERIOR

From drawings by T. H. Shepherd in the British Museum

VII

FAIRS AND THEIR POSITION IN COMMERCE

HE art of trading presents many problems, and the problem of how best to reach his public is one that still confronts the modern merchant. But the solution, in an age of newspapers and cheap travel, is a very different matter from the solution found by his predecessors, when communication between peoples was difficult, slow and expensive. Before steam and electricity had been harnessed into the service of man, journeys of any length, great or small, were performed mainly on foot, on horseback, or in small boats. Roads, if roads they could be called, were dangerous places for peaceful folk, and such movement as there was in times of peace was almost entirely inspired and controlled by religion. Religious gatherings have been not only encouraged but required by the priests of every persuasion since the world began, and in those far-off times people were made to feel that no hardship was too great when undertaken in the name of their religion. Traders soon found that their easiest method was to take their products to that point which, for one cause or another, gathered to itself the greatest number of people, and began to utilize these great religious meetings for their own ends. The people had to be fed, and the necessity of money or its equivalent was recognized by everyone, while in not a few cases it was evident that the high priests or promoters of the religious

festivals themselves utilized the occasion for turning a penny for their cause. Tents and booths were erected outside the circle of the holy ground, and these were allotted, no doubt at full rental, to those traders who came there to sell, and in this we find the origin of the great fairs which, for thousands of years, were the chief marts of trade.

The word Fair (Old English Feire—French Foire—Latin Feriae—meaning days of rest, holidays, or festivals, akin to "festus" meaning festal, from which the word feast is derived) is frequently used in the Bible. In the books of the Prophets we are made aware of the importance of fairs in the then great commercial city of Tyre, "the crowning city whose merchants are princes, whose traffickers are the honourable of the earth" (Isaiah xxiii. 8). We read in Ezekiel xxvii.:

"12. Tarshish was thy merchant by reason of the multitude of all kind of riches; with silver, iron, tin, and lead, they traded in thy fairs.

"14. They of the house of Togarmah traded in thy fairs with horses and horsemen and mules.

"16. Syria was thy merchant by reason of the multitude of the wares of thy making: they occupied in thy fairs with emeralds, purple, and broidered work, and fine linen, and coral, and agate.

"19. Dan also and Javan going to and fro occupied in thy fairs: bright iron, cassia, and calamus, were in thy market.

"22. The merchants of Sheba and Raamah, they were thy merchants: they occupied in thy fairs with chief of all spices, and with all precious stones, and gold.

"27. Thy riches, and thy fairs, thy merchandise, thy mariners, . . . shall fall into the midst of the seas in the day of thy ruin."

And the merchant traders mentioned here claimed ancestry from families named in Genesis x. 3 to 7.

Historians tell us the religious festivals of Egypt were veritable fairs, and fairs also took place in the streets of ancient Rome. Romulus, Servius Tullius, and the republic at its commencement, are all said to have instituted fairs for the purpose of attracting people to

Rome from the surrounding country on each ninth day, when the gathering was used for proclaiming laws or issuing decrees. And, coming into the Christian era, it is noted that fairs took place as a rule on saints' days, so that " trade might attract those whom religion could not influence." Thus we see from very early times how trade, in the guise of " side shows " as it were, was employed to help make religious meetings popular. In times of war soldiers were appointed to guard the booths, as attempts to plunder the traders were then not infrequent, and we may assume that the Romans introduced the fairs into Northern Europe.

Charlemagne is credited with being a staunch friend of Commerce, far-sighted, and wise enough to see in its development a greater width and power for his kingdom ; but it is difficult to reconcile this business acumen with the extraordinary privilege which he granted to the priests in sanctioning their canon which declared all interest for the use of money to be sinful. One can only suppose that he either obtained something from the priests in return which more than made up for his inconsistency, or that he was quite convinced that a canon of this kind must fail because of its evident folly.

At all events, this great ruler recognized in fairs the best means of commercial communication between people of a sparsely settled country, and he encouraged them to the utmost of his ability. The great fairs of his time (A.D. 742–814) were held at Aquisgranum (Aix-la-Chapelle), Beaucaire and at Troyes, and were the rendezvous for traders from all over Europe. Coin was usually so battered that it was sold by weight, and the standard weight used at the fair at Troyes for dealings in coin was adopted for bullion in all parts of Europe, and still remains in our weights and measures as the Troy weight.

As we come nearer to our own times we find that other fairs of France possessed a widespread fame. Paris alone had many noteworthy ones. That of St. Denis drew

many traders to its gates. The fairs of St. Germain, of St. Laurent and of St. Ouide; the Onion Fair of Notre Dame, the Pork and Bacon Fair, each must have surrounded itself with fascination, while some of them, we may safely assume, possessed an "atmosphere" peculiarly their own. Walford, the historian of fairs, describes those of Brie and Champagne as follows:

"There the merchants of Italy, Spain and France congregated. From far distant climes the Genoese transported thither bales of goods; and busy traders came to meet in open market the infant efforts of Belgian manufacturers from Ypres, Douai, and Bruges. Burgundy sent cloth, Catalonia leather, and the Genoese and Florentines brought silks; while at all the seaports along their coasts vast cargoes were unshipped and placed on the backs of mules to wend their way to the place appointed for the fair.

"These fairs would begin with the sale of cloth, perhaps for seventeen days; the cloth merchants would settle their accounts prior to the silk merchants entering upon their bargains. In the middle of it all the great cry 'Ara' was raised as a signal for the moneychangers to take their seats, and for four weeks they sat for the benefit of the various nationalities who wished to realize their gains in their native coin.

"After the conclusion of the fair, a busy time of fifteen days was set apart for those who had not yet settled their accounts, and to rectify disputes; which time was extended in favour of the representatives of more distant people who wished to go home and return, before finally completing their books. The Genoese bursar at these fairs had always a month allowed him before settling his accounts."[1]

Another writer points out that these French fairs furthermore possessed a great political significance, for the Italian traders brought with them, as well as their merchandise, a spirit of independence and republicanism, and it was from the South of France that the seeds of liberty, equality and fraternity spread northwards and fell upon fertile ground, for the iron hand of despotism

[1] *Fairs Past and Present*, by Cornelius Walford, F.S.A. Elliott Stock. 1883.

lay heavily upon the people. He concludes that the words, actions and perhaps taunts of the Genoese merchant-adventurers, who visited the fairs, and who were proud and boastful of their own freedom and acknowledged no royal master, had much to do with the spirit of unrest which eventually culminated in the French Revolution.

Charlemagne's example was followed by other rulers and quickly accepted by their subjects. Flanders began to develop in the tenth century as a mart for woollen goods; and with the object of attracting buyers, the Earl of Flanders caused weekly markets and annual fairs to be established in Bruges, Courtrai, Torhout and Mont Casel, all then flourishing towns, and, by exempting from duty all goods brought in or carried out from these towns, he did much to make them popular with buyer and seller alike.

By the close of the sixteenth century Antwerp reached the summit of her wealth and prestige as the metropolis and chief commercial city of Northern Europe. The historian of Commerce, Anderson, considers she won this high position through two causes:

"1. By the grants of free fairs for commerce, made formerly by the sovereigns of the Netherlands—two of which fairs lasted each time six weeks—whither merchants resorted from all parts of Christendom with their merchandise customs free. At these fairs vast concerns were managed, not only in merchandise but in bills of exchange with all parts of Europe.

"2. It had become the entrepôt of the commerce between the southern and northern ports of Europe and especially of the Portuguese merchants. This drew the German and other merchants to settle there, and the merchants of Bruges largely removed thither after the Archduke Maximilian had (about 1499) reduced their city. The fairs were aided by, and themselves aided, this development."

We have no certain knowledge as to when the introduction of the fair into England took place, though it is quite possibly due to the Romans at some period of their

four hundred and fifty years' occupancy of these islands. But, as we see in our chapter on Early British Commerce, the Romans were here as a military force, with no thought of colonizing the country or making it their home, and it is owing to this fact that so little remains as a result of their centuries of control. Militarism does not produce wealth, and can never compete with commerce in developing and strengthening the prosperity of a country. A few Flemish weavers who, through necessity, sought these shores seven hundred years or so ago, have done more for England's development than all the Roman legions accomplished during their centuries of possession.

If the Romans mentioned the system which was in vogue in Roman cities of the interchange of merchandise at fairs, they did not press the matter further, and it was not until they were succeeded by other and wiser rulers that commerce slowly and timidly looked out from her cave of ignorance and begged for her place in the open.

Alfred the Great helped commerce and encouraged fairs.

King Ethelred II. at the beginning of the eleventh century proclaimed that the "ships of merchants or of enemies from the high seas coming with goods to any port should be at peace."

Henry I. granted to the citizens of London "that they should be free throughout England and the seaports from toll, passage through towns, ports, gates and bridges, and lestage or a toll paid for freedom to sell at Fairs."

In the Magna Charta King John was forced against his will to agree: "That merchants shall have safety to go and come, buy and sell, without any evil tolls, but by ancient and honest customs."

Thus, in England as on the Continent, fairs became the natural media by which commodities were exchanged, buyers attracted and profits made. In all parts of the

PLAN OF STURBRIDGE FAIR

island were organized local fairs, religious in origin but commercial in practice, and nearly every county boasted its annual event. Some of these fairs lasted for weeks. During the sixteen days of the fair of St. Giles at Winchester all other trading in Winchester and in every other place within a radius of seven miles was prohibited. Here, as elsewhere, "large tents were erected in rows so as to form regular streets, and these were inhabited by the traders, many of whom were foreigners. Kings, princes and barons sent their agents to these places of general resort, where every kind of commodity was to be purchased, not excepting men and women."[1]

This infamous traffic in slaves seems to have lasted as late as the end of the fourteenth century, as for many years after the Norman Conquest slaves continued to be one of the principal articles of export. Nor was England alone in her shame, for fairs were held in many districts of Northern Germany where slaves occasionally figured among the marketable goods and chattels. Helmold relates that he saw 7000 Danish slaves offered for sale in a fair at Mecklenberg, the usual price for male or female slaves being about a mark (8 oz.) of silver, though some female slaves, through extreme beauty or other qualifications, fetched as much as three marks.

Among the many fairs in England, however, there were a few that from circumstances of place and season became conspicuous and assumed proportions approaching those of the Continental cities. Such a one was the Bartholomew Fair of Smithfield; and, for another, the Sturbridge Fair near Cambridge which we may take as representative of all fairs held in England, remembering at the same time that it was by far the greatest and the most important.

To this little spot in this island came men from all over Christendom to trade, to bargain, to buy and sell, to gain gold; but in gaining gold to gain also the satisfaction

[1] From *The History of Progress in Great Britain.* 2 Vols. London, 1866.

that comes from productive toil. To spend three weeks each year in these few acres of space came traders from every part of England; merchants from Venice, the richest of all cities, with the products of the spice islands of the Far East; merchants from Genoa with Italian silks; from Florence with works of art and the manufactures encouraged by the Medici; from Augsburg with the noted fabrics of the Fuggers; from Liége, Ghent and Antwerp with the finely woven linens and stuffs for which Flanders was then famous; from Spain with the beautifully wrought Toledo blades; from Portugal with her famous wines; from France with laces, and silks, and wines, and fashions (for the Latin element of France had early learnt from Italy the art of dressing women); from Greece and from Constantinople with their old-time treasures; from Norway with pitch and tar; from the trading towns of North Germany with furs and amber; and perhaps even from Nijni Novgorod, which had then, and still has, its own great fair, with the products of the mines and traps of far-away Siberia.

What a marvellous collection did this Sturbridge Fair unfold! What charm and romance surrounded the booths of these intrepid traders from far-away cities, speaking strange languages, looking at life from a viewpoint how different from our own, but all drawn by the magnet whose power has been felt since man was man, the magnet of Commerce, whose parent is the universal desire to trade, whose child is wealth.

We learn of laws and rules laid down for the government of Sturbridge Fair, of iniquitous and annoying restrictions, and then, thanks to the growing power of the traders, the removal of these restrictions; of good years and bad; of competing fairs which strove to wrest its prestige from it; of years when by reason of the plague the fair was abandoned altogether.

Its charter dated from about 1211, and was granted by King John to "the Lepers of the Hospital of St.

Mary Magdalen at Sturbridge by Cambridge—a fair to be held in the close of the Hospital on the Vigil and Feast of the Holy Cross."

Edward I., looking around him for revenue, sent commissioners in 1278 to Cambridge, to make enquiry into the rights of this mart and his possible income to be obtained from it. Later in its history arose questions of proprietorship. It had been originated by the townsmen of Cambridge, but the university, which, like other universities, was granted from time to time special privileges and sources of income, claimed by proclamation in 1548 such general and comprehensive rights controlling sale or barter, as practically to take over much of the profits and control.

References to the Sturbridge Fair may be found in many old volumes. Daniel De Foe visited it in 1723. His description is most interesting, but is too long to be quoted entire. He says:

". . . It is impossible to describe all the Parts and Circumstances of this Fair exactly. The Shops are placed in Rows like Streets, whereof one is call'd Cheapside; and here, as in several other Streets, are all sorts of Traders who sell by Retail, and who come principally from London with their Goods. Scarce any trades are omitted, Goldsmiths, Toyshops, Braziers, Turners, Milliners, Haberdashers, Hatters, Mercers, Drapers, Puterers, China Warehouses, Taverns, Brandy-Shops, and Eating-houses, innumerable, and all in Tents and Booths. . . . In another Street parallel with the Road are Rows of Booths, but larger, and more intermingled with Wholesale Dealers, and on one side, passing out of this last Street is a formal great Square form'd by the largest Booths, built in that Form, and which they call the Duddery. (The word 'Duddery' is derived from the old word dudde signifying cloth—hence the present slang form of duds.) In this Duddery, as I have been inform'd, there have been sold £100,000 worth of Woollen Manufactures in less than a Week's time, besides the prodigious Trade carry'd on here by Wholesale Men from London and all Parts of England who transact their Business wholly in their Pocket-Books, and meeting their Chapmen from all Parts make up their accounts, receive money chiefly in

Bills, and take Orders . . . it being frequent for the London Wholesale Men to carry back orders from their Dealers for £10,000 worth of Goods a Man, and some much more. . . . Here are Clothiers from Halifax, Leeds, Wakefield, and Huthersfield in Yorkshire, and from Rochdale, Bury, etc., in Lancashire, with vast Quantities of Yorkshire Cloths, Kerseyes, Pennistons, Cottons, etc., with all sorts of Manchester Ware, Fustians and things made of Cotton Wool. . . . Western Goods had their Share here also, and several Booths were filled with Serges, DuRoys, Druggets, Shalloons, Canterloons, Devonshire Kersies, etc., from Exeter, Taunton, Bristol, and other Parts of the West. . . . But all this is still outdone, at least in show by two Articles, which are the peculiars of this Fair, and do not begin till the other part of the Fair, that is to say for the Woollen manufacture, begins to draw to a Close ; these are Wool, and the Hops. As for the Hops there is scarce any Price fix'd for Hops in England till they know how they sell at Sturbridge Fair. . . . They are brought directly from Chelmsford in Essex, from Canterbury and Maidstone in Kent, and from Farnham in Surrey. . . . Enquiring why this Fair should be thus, of all other Places in England, the Center of that Trade . . . I was answer'd by one thoroughly acquainted with the matter thus : 'The Hops,' said he, 'for this part of England, grow principally in the two counties of Surrey and Kent, with an exception only of the town of Chelmsford in Essex, and there are very few planted anywhere else. . . . I must not omit here also to mention that the river Grant, or Cam, which runs close by the north-west side of the fair in its way from Cambridge to Ely, is Navigable, and that by this means all heavy Goods are brought even to the Fair-Field by Water Carriage from London and other Parts first to the Port of Lynn, and then in Barges up the Ouse, from the Ouse into the Cam, and so, as I say, to the very Edge of the Fair. In like manner great Quantities of heavy Goods, and the Hops among the rest, are sent from the Fair to Lynn by Water, and shipped there for the Humber, to Hull, York, etc., and for New Castle upon Tyne, and even to Scotland itself. Now as there is still no planting of Hops in the North, tho' a great Consumption, and the Consumption increasing Daily, 'this,' says my friend, 'is one reason why at Sturbridge Fair there is so great a Demand for the Hops. . . . This is likewise a testimony of the prodigious Resort of the Trading people of all Parts of England to this Fair.' . . . I might go on here to speak of several other sorts of English Manufactures

which are brought hither to be sold; Edged Tools, Knives, etc., from Sheffield, and Glass-Wares and Stockings from Nottingham and Leicester; and an infinite Throng of other things of smaller value every Morning. . . . To attend this Fair, and the prodigious conflux of People which come to it, there are sometimes not less than fifty Hackney Coaches, which come from London and ply Night and Morning to carry the People to and from Cambridge; for there the gross of the people lodge; nay, which is still more strange, there are Wherries brought from London on Waggons to plye upon the little River Cam, and to row People up and down from the Town, and from the Fair as Occasion presents. . . . As for the People in the Fair they all universally Eat, Drink and Sleep in their Booths and Tents. . . . The Fair is like a well Fortify'd City, and there is the least Disorder and Confusion (I believe) that can be seen anywhere, with so great a Concourse of People. . . . Toward the latter End of the Fair . . . the Gentry come in from all parts of the County round; and tho' they come for their diversion yet 'tis not a little Money they lay out . . . and some loose Coins they reserve for the Puppet Shows, Drolls, Rope Dancers and such-like, of which there is no want. . . .

"The last Day of the Fair is the Horse Fair, where the whole is closed with both Horse and Foot-Races, to divert the meaner Sort of People only, for nothing considerable is offered of that Kind. Thus Ends the whole Fair, and in less than a week more there is scarce any sign left that there has been such a thing there.

"I should have mention'd that here is a Court of Justice always open, and held every Day in a Shed built on purpose in the Fair; this is for keeping the Peace, and deciding Controversies in matters Deriving from the Business of the Fair. The Magistrates of Cambridge are Judges in this Court as being in their Jurisdiction, or they are holding it by Special Priviledge. Here they determine Matters in a Summary way, as is practis'd in those we call Pye-Powder Courts[1] in other Places, or as a Court of Conscience; and they have a final Authority without appeal."

We have quoted from this famous writer at some length because his words give so excellent an idea of the fair, its goods, and the buyers and sellers. It must have been not unlike the State and county fairs held in the western

[1] *Pié-poudre*, so called from the dusty feet of the suitors.

states of the United States within the recollection of the writer. There farm products were more conspicuous, and prizes for the finest grain or the largest pumpkins formed, and still form, features of the fair; but there is no doubt that the human nature displayed was much the same as ever.

The six centuries during which Sturbridge Fair existed saw the development of commerce in England from that of the smallest trader seeking customers with whom he could exchange his little sackful of home-made articles to the world-wide interchange of commodities of every kind and nature under the sun.

But as the candle gave way to gas and electricity; as the stage-coach surrendered its place to the train and the automobile; as everything material is sooner or later displaced by something better than itself, so that great English fair finally ceased to attract. Better ways were found. Easier methods of trade discovered themselves. The population increased, cities grew larger, roads improved; steam traction opened wide doors to progress, and the fair at Sturbridge ceased to exist. The University of Cambridge "called the fair" for the last time on the 18th September, 1855, and it officially ended its long and interesting life when the booths were removed at the conclusion of the usual three weeks in that year. But it continued unofficially for a few years more.

The delightful antiquary, Walford, from whom we have gained part of our information, writes:

"1882. The Fair still lingers on. Its commercial greatness has long since passed away, ebbed out of existence by slow degrees, resulting from many social and other changes rather than from any one marked cause. But, as may be expected after six and one half centuries at least of notable existence, it dies hard. Three of its features still remain. The Horse Fair was this year greater than for some time past. The Onion Fair is still associated with garlic raw, while hurdles, gates and implements of wood still remain. Thus traditions cling."

But as far as Western Europe is concerned, the fair as a trading institution is practically dead, or exists in the country districts chiefly in the form of a large cattle market, for it is only in Russia (we can no longer count the semi-annual fair at Leipsic) that it continues in anything of its old-time glory. It has gone, or is going, dying out to the strains of the merry-go-round and the boisterous mirth of the swing-boats; it has given way, as did old Sturbridge, to our modern methods, and we, who look back across the years, see it in a haze of romance that is yet akin, did we but know it, to the romance of the commerce of to-day.

Russian fairs could be numbered by scores. Some specialize in grains and agricultural products, others in food products, others in goods from China and the Far East; another, that of Poltava in Southern Russia, in leeches which are found in pools and morasses in its neighbourhood; another in white lead, vermilion and other chemical substances; another in linen, flax and hemp; but the greatest of all, and the one which is famous the world over, is that of Nijni Novgorod.

This town, which contains about 100,000 inhabitants, is in Eastern Central Russia, about half-way between Moscow and the Ural Mountains, and about six hundred miles south-east of Petrograd.

We find records of a fair at Nijni as early as 1366, but it is quite possible that something of the kind existed there much earlier; at all events, as the clever monks of the monastery of St. Macarius were in want of more money, a common complaint in those days as well as these, they made Nijni a place of religious meetings, and quickly took advantage of the assembly to turn an honest penny by trading. The monks continued to collect the tolls until 1751, but in that year the fair was taken over by the State.

In Eastern Russia matters of business are still carried on in a more or less mediæval way. Railways exist, but

they are not numerous, and waterways are still the cheapest and the best means of intercommunication. At Nijni meet the Volga and the Oka, both navigable for hundreds of miles. The town has for centuries been an entrepôt for Siberian caravans, and is now further connected with the Far East by the Trans-Siberian railway. The products of Astrakan, Persia and Bokara ascend the river, while those of the great cities of the north-west and the west descend to this favoured point. It is of interest to know that the first vessel of war ever built in Russia was launched at Nijni by a company of merchants from Holstein, who obtained permission in the seventeenth century to open up trade with Persia and India by way of the Caspian Sea.

The fair itself is held outside the town across the Oka, and as the plain was here of a somewhat swampy nature, enormous labour had to be expended to make the situation suitable and safe. The whole great tract has been drained and covered to the depth of some feet with gravel and sand, through which passes the overflow from the river. The buildings and bazaars are permanent, being built on piles, and are often of stone, two storeys high, with projecting balconies to protect the goods against rain and sun. The chief avenues of the fair are connected with some ten miles of wharves and river frontage.

Walford gives us a general bird's-eye view of the fair.[1]

" Round the public offices in the centre are ranged the European wares, the French millinery, and English broadcloth. Next follow the Armenians, a numerous and distinguished class in every commercial assemblage throughout the East. Near these the Bokharians usually range themselves, and they are easily distinguishable from the other Asiatics by their squat corpulent figures and dark complexions. Nearly a whole side of the bazaar is occupied by the Chinese Market, in which the shops are all laid out in Chinese fashion. Tea is the chief article of the Chinese trade. . . . Beyond the stone buildings of the bazaar commence

[1] *Fairs Past and Present.* Elliott Stock. 1883.

Ansicht der alten Stadt Novgorod im 15. Jahrhundert.

Aus Schiemann, Rußland, Polen und Livland bis ins 17. Jahrhundert.

NIJNI NOVGOROD

IN THE XVTH CENTURY

From a reproduction in the British Museum

the rows of wooden booths in which the motley Siberian and Tartar tribes establish themselves with their furs and peltry; the most remarkable to a European eye, though not the least common of their wares, being the dark mouse-coloured hide of the wild horse, with black mane and streak along the back, much prized by the Bashkirs and other tribes for its warmth as well as beauty. The wine trade has never constituted a great feature of the fair, although wine skins from the Caucasus may be seen; and many of the brands of Southern Russia may be found on application."

That writer then describes the streets of the fair as having elegant arcades on each side, and containing stalls which are "generally very handsome" and extend in some instances from street to street, thus having two fronts. The confusion of the usual fair is absent. Everything seems to be carried on in a most systematic and businesslike manner. Each class and kind of goods has its own quarter—one for groceries, another for dried fish and caviare, and we are told that "the annual value of the sturgeon alone taken in the Volga is estimated at two and a half million roubles; and above 30,000 barrels of caviare have been dispatched from Astrakhan in a single year." Another quarter is assigned to leather goods of every description: boots and shoes, Morocco leather—much of which comes from Astrakhan—goat-skins, and also the pleasant "soap of Kasan is sold in large quantities." One is glad to find that it is in such demand.

Another mile of shops is devoted to iron and iron ware, most of which was formerly brought overland by caravans from Siberia. "Weapons and glittering arms are exposed for sale in great quantities, as also a considerable supply of holy images and priestly vestments."

The cloth section is large and well stocked with ready-made clothes of every description, displaying "cloaks alike for men and women made from stuffs with most singular patterns"; those sent by makers in Asia are described as being "really beautiful." The fancy articles, such as gloves, handkerchiefs and ribbons,

attract a continual crowd. Cotton goods occupy an important place, and the mills of "England are largely drawn upon for these; but they are not in the hands of Englishmen at this fair," though their returns "average twenty-two million roubles—£2,750,000."

Silks and shawls, "chiefly of Oriental manufacture and hence in very brilliant colours," make a great show. Furniture shops constitute another important feature, "and one can but be surprised to see costly carved tables, chairs, sofas, and still more large and valuable mirrors from France and St. Petersburg." Glass from Bohemia, jewellery from Europe and Asia and precious stones from Bokhara and Central Asia are offered in profusion, "but beware of talismans and turquoises that appear to be cheap; they will probably be found equally cheap and much more satisfactory nearer home." "The malachite and lapis lazuli ornaments and other stones from Siberia are sometimes good investments; but some expert knowledge is required . . . there is a stall for the sale of ornaments in gold and silver set with Siberian and Persian stones—BEWARE!" It looks as if the historian had been cheated by the wily Oriental dealer, and was giving his personal experience to his readers.

The tea quarter occupies the greater portion of an immense division standing by itself, and is distinguishable by its Chinese architecture. The Chinese formerly looked after this portion themselves. Along the wharves are heaped "great pyramids of chests of tea, covered only with matting made from the inner bark of the birch tree. These chests, called 'Tsibiki,' are so packed as to be impervious to rain or damp. Outside the wooden chests is a covering of wickerwork of cane or bamboo, round which, at Kiakhta, raw bull hides are tightly stretched, with the hair inwards. These chests arrive at Nijni from China, having been received in barter at Kiakhta or Maimatchin on the Chinese border of Russia." The Russians, who are great tea drinkers, are accustomed to the higher qualities grown in North China; and at

NIJNI NOVGOROD

From a print in the British Museum

this fair may be seen some kinds of tea which rarely find their way into Western Europe, such as "yellow" and "brick," the former of delicious fragrance and very pale "but injurious to the nerves if taken very frequently . . . the brick tea is consumed by the Kalmucks and Kirghizes of the Steppes."

This great fair presents an extraordinarily fascinating sight. For six weeks each summer every kind of merchant and trader under the sun, speaking every language, clothed in every costume from the sedate garb of the Western to the fantastic and highly coloured covering of the Oriental, are all brought together at this otherwise unimportant spot in Eastern Russia by that one and only power which could tempt them to make the long journey—the love of trade.

And the romance of the entire institution needs no defence, no explanation. It is there. It surrounds the entire enterprise which has survived for eight hundred years while nations have fallen, peoples have disappeared and the known portion of the earth been multiplied by two or three. Commerce is the Esperanto of man, the common factor in our nature. It is the magnet which draws as surely as does gravity draw an object toward the earth.

And outside the bounds of the fair an almost equally interesting sight can be found. Within, all is order, system and well-thought-out business methods: without, chaos. Here are to be seen labourers seeking employment, knots of traders with long beards; "itinerant vendors of liquid refreshments and white rabbit skins"; greasy, slovenly monks collecting kopeks of the superstitious visitors who fear to decline lest they should be set upon by the Evil One; and innumerable beggars offering all kinds of excuses for their poverty and equally ready to give a blessing in return for a coin, or in its absence a curse.

The fair is under the supervision of the Governor of the Province, and is managed by "the Fair Committee,

chosen from among the assembled merchants," and including also the mayor and three aldermen of the town of Nijni. The conditions of letting the shops to visiting traders are extremely liberal, no imports duties being made and no licences being charged; and, to promote competition, all dealers in certain classes of merchandise are placed next to one another. They are thus tempted and almost forced to quote low prices or be undersold; and, to prevent monopoly, no merchant is allowed to hire more than three consecutive shops. The direct profit to the Government is solely that of the rent of the booths, but of course the indirect profit to the town and the entire province is enormous, for during the period of the fair (July 15th to August 25th) about 400,000 persons visit Nijni, and we are told that the annual business done is nearly 200,000,000 roubles, or about £20,000,000.

That held at Nijni Novgorod every year is the greatest of all the fairs past and present, and the only one that brings down to our own day the atmosphere of the Dark Ages. It is true that until the war the great fair of Leipsic was a yearly, even a twice yearly event, at which vast numbers of buyers from Europe and America congregated to examine the wares of the German manufacturers; but Leipsic lacked the colour, the charm and the amazing cosmopolitanism of old Nijni Novgorod. Perhaps Leipsic was too near us all. Perhaps familiarity deprived us of that fascination which surrounded the far-away city. And perhaps the traditions of the Tartar town exercise a more potent spell; but be all these things as they may, there rests upon the far-famed fair of Nijni Novgorod a halo of charm, of imagination, and of romance which no other assemblage of great traders has possessed for hundreds of years.

VIII

GUILDS

HE existence of guilds under one form or another dates from a very early period. They were formed for many and various purposes; to encourage religion, good fellowship, patriotism, trade, amusement, and what not. They were in some sense a domestic trades union, and must have served in the smaller communities as centres of social activity.

The Greeks, some centuries before the Christian Era, possessed associations which they called Eranoi or Thiasoi. Many were established in the islands of the Archipelago, and in other important places. The object of these societies was generally mutual self-help, and they were thus not unlike similar organizations in Great Britain and America to-day. They busied themselves in helping their less favoured members, in paying for funerals and in celebrating feasts and religious anniversaries. Members paid annual dues. Women were freely admitted to membership, and assisted at the official meetings. A few of these Grecian societies included in their duties a certain amount of supervision of the commerce of their districts.

The Romans also early possessed associations of the nature of guilds, for it is said that Numa greatly encouraged the formation of craft-guilds, of which Plutarch enumerates nine. And when Christianity was brought from the south of Europe, the unimportant guilds of the north received great impetus and spread rapidly.

Our own form of the word, guild or gild, comes from the Anglo-Saxon gild or geld, meaning a fixed payment or contribution, which springs from the same root as the word *yield*. The guild therefore is an organization created by members who paid fixed dues. The Danish or Low German *gilde* was used in the sense of a contributory company, while the Icelandic *gilde* implied payment and also a banquet. The Breton *gouil* meant a feast or holiday, and the Welsh *gwylad* the keeping of a festival.

Northern guilds in their early history were as diverse in purpose as were those in Greece and Italy. One founded at Roeskild under King Canute was purely for the purpose of suppressing the piracy of the Vikings, while on the Continent they became strong factors in maintaining peace and obtaining justice, even opposing the kings who undertook to override their rights. The laws of the guilds often became the laws of the commerce of the State, since the combination of the stronger towns is bound to have its effect in the community.

English guilds make their first appearance in the chronicles of the seventh century, but spread most rapidly during the Middle Ages, when their lives are interwoven with the history of England and its times. They devoted themselves to objects of Christian charity, assisting the aged poor, the sick, or unjustly imprisoned, those suffering from fire or shipwreck, those wanting employment; and finally concerning themselves with the burial of the dead.[1] When, under efficient management, they grew richer, they became also more ambitious. They built for themselves halls, organized miracle plays, pageants, and other festivities, of which the Lord Mayor's Show, which still delights great throngs in London each year, remains to us as a happy survival. As their strength increased, rulers and people of high position sought

[1] Societies on somewhat similar lines are still formed in the more newly settled countries of the western hemisphere.

A CITIZEN of LONDON in His LIVERY Gown

membership. Henry IV. and Henry VI. were members of the Guild of the Trinity of Coventry; Henry VIII. and his Queen were members of the Guild of St. Barbara of St. Katherine's Church next the Tower in London. The members of yet another guild are said to have prided themselves upon their democracy, claiming that they were "of the rank of common and middleing folks," and would not even admit to their list a mayor bailiff.

But towards the end of the fourteenth century, the Merchant Guilds become the most important of all these varied organizations, taking on other duties and aims as the foster-parents of British manufacture. Their pre-eminence was achieved in this way. The leading men of the various towns were almost invariably traders, and in the unsettled and undeveloped state of trade and manufacture united for the protection of their undertakings. A *Gilda Mercatoria* made for itself internal laws, just as did the other guilds for the government of their own particular forms of activity. As their businesses grew the trade guilds increased in importance, so much so that when the different towns obtained municipal charters no one was admitted to the freedom of the borough unless he was a guild merchant.

Trade guilds thus ranked in large measure as public institutions. Their members included the richest citizens, and they, as organizations, became so wealthy and often so tyrannical that the guilds formed for other than purposes of protecting trade were pushed out of place and allowed to decay.

A list of guilds or livery companies, existing at the time of Queen Elizabeth, is taken from Wm. Herbert's *History of the Twelve Great Livery Companies of London*, to which we are indebted for much of the information contained in this chapter. It should also be remembered that the guilds of Edinburgh, Dublin, Exeter and some other cities were nearly as important as

those of London, and some of them are still in existence. Here is the list:—

Mercers	Leathersellers
Grocers	Talough-chaundelers
Drapers	Cutlers
Fyshemongrs	Peauterers
Goldsmythes	Sadlers
Skynnrs	Barbours
Merchauntayllors	Gyrdelers
Haberdashers	Coryours
Salters	Cordenrs
Ironmongers	Inholders
Vyntenrs	Armourers
Clothworkers	Colkyers
Dyers	Fletchers
Brewers	Cowpers

The battle for supremacy continued among themselves. The older and stronger companies insisted on greater and greater power to the detriment of the poorer, and thus the first twelve on this list rose to extreme importance, at about the same time as the *Arti Majori* in Florence, and became known as the Twelve Great Livery Companies of London.

They were all modelled after the ancient guilds. They appointed a master or alderman, and other officers. They provided, with other benefits to their members, for the maintenance of the customs of their craft, and took precautions against fraudulent workmanship. They saw to it that their rules were fully carried out, even to the extent of helping to maintain municipal control, and they punished the guild brothers who infringed them.

One after the other found it desirable to obtain a Royal Charter from the Crown, either by a direct payment or by the acceptance of the obligation to pay some newly invented tax. But the advantages that accrued were considerable, for they were then free to exercise their authority in many ways, and chiefly:

(1) By controlling the import and export of wares.
(2) By limiting the number of their own members.
(3) By creating a secret agreement regarding prices.

They could examine, pass or condemn all goods offered for sale, and with this privilege was guaranteed control over the transactions of foreign merchants. If the inspectors were not friendly to a dealer, it was easy to discover defects in his wares, and all goods claimed to be defective might be seized by the guild authorities and burned at stated places on the public highway. Furthermore, if a foreigner endeavoured to sell his goods at retail, he was subject to their immediate confiscation.

The guilds exercised to the full their arbitrary privilege of limiting their membership, and consequently the number of those who could make or deal in their class of merchandise. Among the privileged was fostered a spirit of fraternity which bound them together with bonds of sentiment, and greatly cemented the organizations.

Another power of very great importance was established, by the authority of the Lord Mayor, in a "Court," which was a court in fact as well as in name. The Court of any Livery Company had actual jurisdiction over its members and others who, while not members, were engaged in the same trade. It could settle trade disputes, discipline its apprentices, with the whip if necessary, could imprison its journeymen who struck work, and could fine its master members who acted against its rules. And, finally, the members of the Company were forbidden to appeal to any other Court unless their own Court failed to obtain justice for them.

These great guilds appear therefore to have been trade unions formed by the masters instead of by the men, though all were handicraftsmen entering by apprenticeship. They included in their membership most of the wealthy men of the nation, and the great halls now standing in the City of London testify in the proud names with which they are so generously decorated that the men who made England what she was, the men who built her commerce, won her wealth and risked their

lives and fortunes in extending England's commercial supremacy were mighty in their guilds.

The guilds became undoubtedly in many cases arbitrary and unreasonable. They used their wealth and position, both as guilds and as individual members, to obtain official recognition and sanction, but though they were often unfair, and seemed to be thinking of self-interest only, they never winked at deception in manufacture. Their customers never bought one quality and received a poorer. These sturdy autocratic dictators of commerce tolerated no standard that was capable of improvement, and, as a result, goods of English manufacture obtained a high prestige throughout the entire trading world, and "Made in England" became a password that ensured a welcome in any market.

But as England grew, her commerce became more catholic, more diversified. A large commerce implied a more careful supervision, but the guilds were rich, and became less inclined to watch details, and were perhaps not so necessary as they once had been. Gradually their hold on the various and more highly specialized branches of trade and manufacture became less strong. Commerce outgrew the control of its foster-parents and stood alone, greater by far than when in its early years it had been so well guarded by them.

In other countries than England guilds have risen and become powerful, but have finally been snuffed out. Those in France, which at one time were so important a factor in the development of her commerce, were annihilated during the revolution of 1791. The guilds of Belgium and Holland were swept away when those countries were taken by France. Those of Spain and Portugal ceased to exist during the revolutionary years of 1833–40; those of Austria and Germany in 1859–60; those of Italy in 1864. But England's guilds still remain as institutions possessing great age and dignity and wealth, though with but few of the powers which were theirs during the fifteenth, sixteenth and seventeenth centuries.

THE ARMS OF THE CITY COMPANIES

From an engraving in the possession of the Author

They served their purpose and, like the great trees, having reached their full growth and having lived for many years in their maturity and strength, slowly but surely have lost their virility and power. They exist to-day as societies noted chiefly for their charities and dinners, for their splendid and beautiful old halls; in some instances for their apprentices' schools; but in a few, a very few instances only, do they attempt to exercise any supervision whatever over the trade whose name they bear.

We venture to include a few details relating to the companies in their separate functions.

The Mercers' Company usually heads the list of the twelve great companies. In ancient times a mercer was one who dealt in small wares and not as afterward in silks. Merceries included those articles in the stall or booth which were sold by the *little balance* or small scales, such as toys, haberdashery, small articles of dress, spices and drugs.

But by the reign of Henry VI. the silk trade had become the main feature of the mercers' business, and as woollens, cottons and other woven goods gradually entered their lists the small wares disappeared to be sold elsewhere. The words mercer and merchant both came from the same Latin root—*merx*—*mercis* (wares, merchandise), and *mercari*, to traffic. It appears therefore that in the trade of the *mercer* we find the origin of the broader title of *merchant*.

The London Guild of Mercers includes in its wonderful list of members many of the greatest names in English commercial history. Among those who early contributed to the building up of the nation we find Sir Richard Whittington, while Sir Thomas Gresham a hundred and forty years later was also proud to count himself a liveried member.

The Mercers' Hall and buildings still occupy the site which is assumed to be the place of the first Mercers'

settlement in London, and near the present entrance to the hall in Cheapside stood the house of one of its members, a mercer of good repute, being none other than Gilbert Becket, who was the father of the murdered Thomas à Becket, Archbishop of Canterbury.

The Mercers' Guild has received many bequests, but was nearly wrecked at one time in its history by poor financial management. It is, however, in company with its sister guilds, happily still numbered among those institutions of the City of London that are honoured for their history, their legends, and their ancient prestige. Long may it so continue, free from outside interference or disaster.

The Grocers' Company is the second on the list of the great guilds. This company was first incorporated under the name of grocers in 1345, the thirtieth year of the reign of Edward III., but it had long been known as the fraternity of the Pepperers. This trade rapidly assumed a leading place in the commercial life of London, and for self-protection and other purposes its members created a guild, and built for themselves a noble hall. A contemporary writer thus describes their first steps and distinguished enrolment.

"This Fraternity, antiently denominated *Pepperers*, having changed their name to that of *Grocers*, were under that denomination incorporated by letters patent of Edward III., anno 1345, by the name of the Wardens and Commonality of the Mystery of Grocers of the City of London, which was confirmed by Henry VI., anno 1429. This Company consists of a prime and three other wardens, fifty-two assistants and one hundred and twenty-seven liverymen, whose fine upon admission is £20. They have a great estate, out of which is yearly paid to the poor about seven hundred pounds.

"Their arms are, argent, a chevron gules, between six cloves in chief and three in base, sable; crest, a helmet and torse, a loaded camel trippant proper, bridled of the second; supporters, two griffins per fesse gules and or; motto 'God grant the grace.'

This Company furnished one hundred Lord Mayors, and is further dignified by enrolling amongst its honorary members five kings, several princes, eight dukes, three earls, and twenty lords, together with numerous distinguished statesmen, naval and military officers, etc."

Ravenhill, the early historian of the Grocers' Company, quotes from the public records of the Roman Emperor Augustus the following:

> "With merchandise this with care doth run,
> Unto the East under the rising sun,
> To fetch rough Pepper and pale Cummin seeds,
> For Roman Wares,"

and fairly concludes that the business of grocers was not unknown to the Romans, who at all events seem to have known and valued the qualities of pepper and spices. These articles were probably included in the stocks of the Roman *medicamentarii* who were dealers in various articles termed groceries.

The derivation of the word grocer has been variously accounted for. Webster gives the Latin *grossus* or perhaps *crossus*, meaning thick, dense, great, and infers that the name was adopted by the merchant-adventurers because they transacted their business in bulk or in *gross* quantities, as opposed to the *pepperer* who dealt in small parcels. Be that as it may, it was to these original grocers of England that much of the extension of the foreign trade of the country was due. They built ships, organized trading excursions, and carried to the far away islands of the East Indies knowledge of England and its people. They returned to these shores with the spices of the East, brought from half-way around the world. Indeed their accomplishment is referred to with pride in the records of the Company, upon the enrolment, on October 22nd, 1689, of King William III. as one of their members. This interesting

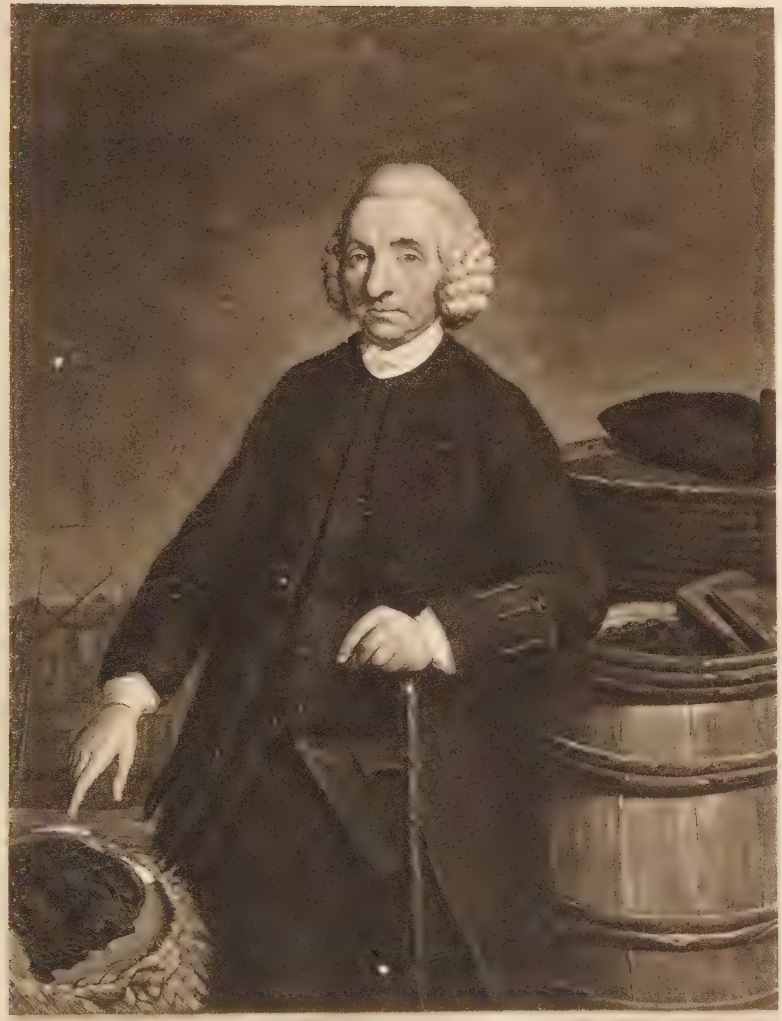
summary as translated from the original Latin includes these words:

"And as this society may boast of its antiquity, deriving its original from merchants in Rome, trading in spices to the eastern parts, who from Rome transplanted themselves to this City, with the conquest of this island, and first gave wings to navigation here, from whence this island hath been able to give law by sea to all the world. . . ."

During the thirteenth, fourteenth and fifteenth centuries the history of the Company of Grocers of the City of London is full of the achievement of public works, of pageants, magnificent entertainments, and the active direction of many events in London's civic life, while an interesting sidelight is thrown on this history by the accompanying portrait by Chamberlin of Thomas Fielder, Fruit Broker, aged 66. The inscription on the mezzotint, which was published by the engraver, Valentine Green, in 1774, reads as follows: "Done at the Request of the Merchants, from a picture which was given by the Grocers, as a mark of their Approbation of his Conduct, for a series of Forty Years." The members of the Grocers' Company, as we have seen, included kings, princes, statesmen and men of affairs. Its traditions to-day are superb, and now that its working days are over it holds an honoured place among London's old and greatly respected institutions.

To the *Company of Drapers* belongs the third place in the list. Incorporated in 1439, the seventeenth year of the reign of King Henry VI., this Company became the guardian of quality in the making of garments; for *draper*, which came from the French *drapperie*, meaning *clothwork*, signified in the fifteenth century a *maker* and not, as now, a *dealer* in cloth.

As a society, however, they existed much earlier than the above date. Fitz Alwyn, the first Lord Mayor, in the time of Henry I. left to them as a company all his lands in St. Mary Bothawe, Aldgate, while Tolason and



the Stadtholder [illegible] aged 66

Hardell, who were mayors in 1252 and 1253, were both drapers, and both members of the Society. But whether these early drapers were cloth-sellers, or manufacturers of cloth, or makers of cloth into garments, is not made evident.

The drapers were a wealthy company, and with their wealth we find much evidence of their philanthropy, for as early as 1405, John Hend, member and Lord Mayor, became the refounder of St. Swithin's Church, London Stone, and their history, especially after their incorporation in 1439, shows a continuous use of their ample funds. In 1446 Sir Simon Eyre, founder of Leadenhall, was the donor of 5000 marks for the relief of the poor. Different members, as well as the Society as a body, founded schools and almshouses ; built bridges and supplied the money for other public improvements ; and also built hospitals, and looked after the less fortunate members of their livery.

Their hall, from an early date, was one of the conspicuous features of the City. That their magnificent entertainments should be entirely happy affairs, they naturally recognized the necessity of the presence of their ladies, and therefore built for them a ladies' chamber, and this splendid room, set aside solely for the use of the sisters of the fraternity, was occasionally used by the ladies for dinners to which men were not invited.

The grand dinners of the Society seem to have surpassed all others in splendour. There the guest found himself in company with abbots, priors, and the heads of monastic establishments ; with men high in the political life of the nation, the leaders of Court society, and many other notable personages.

Thus for many long years the Drapers' Company was an influential factor in London life, and strenuously upheld and protected its branch of England's commerce. It has had an honourable career and, like its sister companies, is now facing its rather uneventful years with all the dignity of a ripe and beautiful old age.

The Fishmongers' Company has always occupied an important position among the twelve livery companies. At first the fishmongers were two companies, the Stock Fishmongers and the Salt Fishmongers, but were united in 1536 because it was considered that the division was detrimental to the trade, and here, as in every other instance, the advantage of the business was the first consideration whenever differences of any kind presented themselves. To foster commerce, to win prestige and position for its individual trade, to dignify, protect and control it for its betterment were the ends towards which each company's efforts were directed.

It is said that the original Britons abstained from fish because of their reverence for springs and running water, but whatever the truth of this legend, many kinds of fish, and oysters in particular, were much appreciated by Greek and Roman epicures, and Folkestone is credited with supplying these delicious shell-fish to the tables of Athens and Rome. By the Middle Ages, fish had become a staple article of food, and many kinds were considered excellent which are never used to-day. Herrings, salmon, eels, haddock, lampreys, cray-fish, mackerel (first mentioned in 1247), pike, whales, carp, congers and sea-hogs or porpoises, were all articles of daily consumption.

The enterprising towns of the Norfolk coast sent out many fishermen, and themselves became famous as markets for fish, until the Dutch turned their attention to those waters and won away their business from the men of the North ; but why they were allowed to do so is somewhat difficult to understand.

The Fishmongers' Guild, however, showed its strength from its first formation and reflected immediately the ability of its members. As early as 1298 it gave evidence of its great wealth in a wonderful pageant displayed before Edward I. upon his return from Scotland ; in 1341 we find the members quarrelling with the Skinners' Company on a matter of precedence, while in 1363 the contribution of £40 to aid Edward III. in his French wars

was but one pound less than that of the richest of all the companies, the Mercers.

The growth of London caused many changes in its local topography, and the fishmarkets moved often. Friday Street is said to have obtained its name from the many fishmongers who once dwelt there, because they served the Friday markets.

Henry III., to increase his revenues, interfered considerably with the privileges and customs of the fishmongers, and, while he may have accomplished his immediate purpose, did much to disturb the home trade; but his son Edward I. removed the restrictions and gave to the guild its former liberty and power, recognizing that the welfare of the nation lay more in the development and advantages of her commerce than in any temporary acquisition to the royal purse. And thus the history of this great Company[1] is told in troubles, difficulties, quarrels, successes and achievements, for like all the Companies it seems very human, and reflects during its active years the temperaments and dispositions of its members. The fishmongers counted in their membership notable men of the time, and probably touched their highest point in power and prestige in the election of one of the leading members, Hans De Chigwell, to the office of Lord Mayor. This man was high in the King's favour and, supported by a strong middle-class party, as well as by his powerful guild, contrived through his extreme personal ability and adroitness to retain his high office from 1318 until the end of King Edward's reign in 1326.

This guild numbers many other names of importance, among them that of the fine old stalwart Sir William Walworth, M.P., who occupied the post of Lord Mayor in 1375 and 1381. Many deeds of philanthropy stand to its credit, and to one of its members, John Lovekyn, who died in 1368, after having been Lord Mayor seven

[1] The Fishmongers' Company is still the authority that inspects fish and condemns it if unsound.

times both London and the Fishmongers' Guild owe much for his generosity during his lifetime, and for the handsome bequests in his will. The old Fishmongers' Hall was one of London's landmarks, and the same may be said of the present fine edifice on the river bank.[1]

The Goldsmiths' Company is of great antiquity. Already important in 1180, it has since received no less than fifteen charters. It was the organized development of a craft which from very early times had been carried on with much skill and artistic excellence in England. Even when the ancient Britons held this island, the art of working in gold and silver was practised in a refined manner, as has been proved by the discovery of numerous ornaments. In the Saxon period great perfection was attained, and a beautiful piece of ornamental work in gold still exists in the Ashmolean Museum, its inscription stating that it was made upon the command of Alfred the Great.

The reign of Henry II. saw so great a demand for highly finished trinkets, that it became worth while for workers in precious metals to come from the older civilized centres of Germany to reside and carry on their art in England. Anketil, a monk of St. Albans, gained so high a reputation for his productions in gold, silver, gilding and jewellery that he was invited by the King of Denmark to superintend his works in gold, and to become his banker and money-changer. Robert, Abbot of St. Albans, presented a pair of golden candlesticks to the English Pope Adrian IV. They were so much esteemed in Rome that they were consecrated to St. Peter, and it is said that this gift did its full share towards obtaining high favours and distinctions for the Abbey of St. Albans.

It is not surprising, then, that in England the trade of the goldsmith became one of great importance and

[1] This hall is now (1917) temporarily transformed into a hospital for the use of English soldiers.

GOLDSMITHS' HALL

From an engraving by W. Wallis after a drawin by T. H. Shephera

respectability, and its guild the earlier took a leading place among its fellows, since it was obliged to work earnestly to maintain the standards which the well-established traditions of the craft required.

Like other livery companies it possessed great power, but a power which it found itself often required to protect against the always hungry and usually unjust demands of the various sovereigns. The pages of its history record with great frequency the appearance of its chief members before the reigning king, for the purpose of buying him off when some suddenly invented charge was brought against them. But while they paid, they generally obtained some concession in exchange, and as the people became stronger and the sovereign less omnipotent, these rights, bought with hard cash, became recognized and accepted; for in the Goldsmiths' Guild, as in all others, they were exercised with the object of bringing their trade to a higher standard of perfection.

The Guild controlled its members and apprentices often by using authority which now belongs only to the State. It arrested, fined and frequently deported foreign traders who failed to fulfil its strict requirements as to quality and weight. It decided who should and who should not barter in its goods. It punished any fraud in its own sphere of merchandise. It carried on its charities. It exercised great influence in London, and took an important share in elections and all political matters. It required all silver and gold work made within three miles of the city to be brought to its hall[1] to be assayed and stamped, a custom which gave rise to the term "hall-marked," and it had the power of condemning and melting down work which did not meet the requirements of its assayers.

And so the honourable Company of Goldsmiths lived out its years of creative life. Its roll includes many names of men great in municipal affairs. Its wealth was, and even now is, enormous, and its charities were

[1] This Company still does the hall-marking in London.

equal to its high standing. While all the great livery companies of London left their impress upon the commercial history of this country, to none more than to the Goldsmiths is credit due for making England's "hall-mark" worth par all around the globe.

The Skinners' Company received its charter from King Edward III. in 1327, who addressed its members as his "Beloved, the men of the city of London, called Skinners," and formed for the mutual benefit of those who traded in fur, is one of the oldest of the guilds.

Who can say when fur first became an article of domestic use, and consequently one of commerce? In the ages before history was born, men and women used furs for clothing just as they do now in the few spots of this earth where civilization has not yet won a fast hold; and merchants in furs have existed from the time when such skins were the only known protection against the cold, to this moment when they have won a high place as the most luxurious and extravagant of articles of dress. Trade in furs is probably one of the very oldest of all trades. Food, clothing and shelter were the first necessities of man, and clothing, before the days of weaving, consisted chiefly or entirely of the pelts of animals, killed for food and for their hides. England, like other cold countries of the world, no doubt possessed its wearers of furs in the remote ages, perhaps hundreds of thousands of years ago. These men then were the commercial ancestors of the Skinners' Company, and the trappers of prehistoric England became the fur traders —the Skinners, of the twelfth, thirteenth and fourteenth centuries. Furs were still necessary to the poor for warmth, but were used by rich people then as now for decorative clothing. Then as now, unscrupulous traders bartered in furs to the disadvantage of the ignorant buyer, and the Skinners, with that same splendid spirit of integrity which was the keystone of all of the guilds, formed their company to protect their trade from fraudulent dealers.

Old furs were often sold for new. Furs possessing defects which a little wear would make evident, furs improperly dyed, misnamed, or stolen, were disposed of to the public, who then as now knew very little as to the real merit of the article offered. These and other objectionable features the Skinners proposed to remove, and soon acquired authority to the same full extent as was given the other guilds. They could send their stewards to the various fairs held throughout England to examine the furs, and to condemn and destroy those where fraud was evident. The Guild could decide who should trade in furs, and what apprentices should be received ; and its word was law in every detail connected with the trade of the furrier.

The Skinners' Hall was an important edifice ; their pageants equalled those of the other guilds ; their endowments and consequent wealth were very great ; and their list of members possessed its share of Lord Mayors and other conspicuous men. The pages devoted to this company in the history of the Great Livery Companies of London, show that it, like the others, had its quarrels and its triumphs. It was compelled by the various sovereigns to give, and give again, from its exchequer. It had its periods of depression and of elevation. But like the others, too, it maintained its dignity throughout all, and lived but for the advancement of its own respected trade.

The Merchant Tailors' Company originally bore the title of Tailors and Linen Armourers, and as such was incorporated by Letters Patent in 1466 during the reign of Henry IV., while its membership by the time of Henry VII. included His Majesty himself as well as many great merchants of London.

The word tailor is derived from the old French "tailler" to cut ; while the product, garments, comes from the French "garnier" or Old English "garnment" meaning *to garnish*.

The craft in the days of Don Quixote not only cut and made clothes but also made the padding and lining of armour, and further traded in cloth.

The tailors early in the reign of Edward III. were importers of woollen cloths, and, as merchants, had become in many instances rich and powerful. In the twenty-seventh year of this sovereign's reign, their handsome gift of money helped not a little in carrying on his wars against France, and their riches frequently tempted his successors to induce them to contribute heavily to the royal exchequer. Their skill as merchants made their craftsmanship more profitable and increased their wealth and strength. The Livery Company joined in frequent disputes with the older companies as to the rights of precedence, and membership became a coveted honour. By 1708 its roll had included: 10 kings, 3 princes, 27 bishops, 26 dukes, 47 earls, and 16 Lord Mayors.

Truly in those days Commerce won for itself the respect of all, a respect to which it is so well entitled as the gatherer of wealth for the nation.

The great hall of the Merchant Tailors' Company has for hundreds of years been a conspicuous architectural feature of the City of London. It has not always been the same building, nor on the same site, but the dignity of the Company has, since the year 1331, been maintained by an edifice of quality, while even long before that date an "olde hall" stored the ever increasing treasures of works of art and utility of this distinguished institution. Of the "new hall" most interesting descriptions are still available. This fine old building was burnt to the ground in the Great Fire of London, as indeed were most of the other halls of the liveried companies, but while this conflagration destroyed structures, it seemed only to stimulate the ambition and determination of these sturdy members of the guilds. No sooner were the ruins sufficiently cool to permit their approach than we find the wardens digging among them

MERCHANT TAYLORS' HALL

From a drawing by T. H. Shepherd in the British Museum

for anything which could be salved. The plate of the Tailors' Company had been entirely melted, but its gross weight of over 200 lbs. was retrieved and sold immediately and its value used in building a new hall.

This building was completed in 1671, and became the centre of the same pomp and entertainment. So truly were the great guilds important factors in the life of the City that even the history of entertainment in London could not be written without frequent reference to their beautiful halls, for in these commercial-social palaces kings and queens dined, important receptions and public meetings were held, and foreign potentates were entertained. It was as usual to look to the great guilds in social and political events as it is now to look to London's Lord Mayor and Aldermen to supply an interesting dinner at the Guildhall, to rulers from abroad. The magnificent entertainment given by the Merchant Tailors' Company to the Duke of Wellington in 1815 is one of the last of those old-time banquets and functions which for centuries had almost been within the exclusive province of the Great Liveried Companies. The account of its splendour is not untinged with melancholy, for the grandeur and power of these societies which have done so much to build and perfect England's world-wide commerce had passed. Their virility and even their necessity had gone, and there remained only the outward shell of nominal position.

The Haberdashers' were incorporated in 1448 and were originally spoken of as Hurrers and Milliners, the latter name being given them because the merchandise in which they dealt came chiefly from the city of Milan. They were an offshoot of the *Mercers*, and traded in the small wares or merceries that, as we have seen, were displaced in that Company by the larger trade in silk, cotton and woollen goods. Hence their position was for a long time small indeed and inconspicuous, but time and accumulated profits, coupled with a desire and

determination to make for themselves a better position in their city, transformed the unregarded Haberdashers into a collection of powerful and highly respected men, and their Guild into an institution which could hold its own with any other of any kind or class in all England. For it is not the actual undertaking or business of men which establishes their status in their community, but the character and quality of the men themselves, their breadth of mind and ability, their manners and education, their bigness of brain and courage of conviction.

So similar is the history of the Haberdashers' Company to those we have already traced that we need not follow in further detail here the granting of its charter, its growth and development, its great entertainments, its arbitrary, but usually wise, control of those who entered its trade, its severe losses during the difficult years of Charles I. and the Commonwealth, the destruction of its fine hall and its contents, at the time of the Great Fire of London. These and many other items were once of vital interest to the Guild, although they may to-day seem dim and faded through the atmosphere of two hundred years. And the charming old hall of the Haberdashers' Company filled with the sweet aroma of old legends and traditions, is now but a shell of its former self—like the empty but interesting chrysalis from which the living thing has flown.

Let us now turn our attention briefly to *The Salters' Company*. As no man knows when salt first became a necessity to the human race, so no one has recorded its first use as a preservative of food. To all races of men throughout the world its twofold use is known, and from the earliest time it has figured as an article of commerce. The salt-pits of England were developed by the Romans, and are described in the Domesday Book as existing all over the kingdom. Salters therefore must have worked in England for centuries before their formation into a guild, which dates from 1394.

SALTERS' HALL

From an engraving by W. Wallis after a drawing by T. H. Shephera. Published in 1828

Their history is again very similar to that of their contemporaries. Commerce of whatever kind, coupled with wisdom, means wealth, and men then as now strove for the respect and approval of their fellow-men. Individual wealth produced individual desire to benefit the community, and this was most usually accomplished by giving handsomely to one's guild.

Thus the Salters' Guild, like all other great liveried companies, became rich through gifts and legacies, and with these monies built its stately halls, established its schools, responded in some measure to the insatiable demands of the Crown, and performed its public duties in a manner befitting its great traditions.

The Ironmongers. Whatever the share of England in transforming the Stone Age into one of Iron, Anderson at least considers it possible that our Latin conquerors found the Britons already working in iron when they arrived on these shores. If they were not then the pioneers, to the Romans belongs the credit of developing this industry, and forges, tools, cinders, and ironstone have been discovered in the Forest of Dean, together with quantities of Roman coin. In Sussex, Surrey and Kent may still be traced the diggings of later manufacturers who maintained this industry in the southern counties until their supply of wood was exhausted. The discovery of coal in the north, and its efficiency as a substitute for wood, came at an opportune moment, and the supremacy of England as an iron-producing country was established from that date.

The making of iron and dealing in iron and its products created a strong commercial body who called themselves Ironmongers, and, following the fashion of the time, formed themselves into a guild. They received their charter from Edward IV. in 1462, and as one of their first component acts offered the King a sum of £6 18s. 4d. to assist in carrying on his French wars. The amount, which sounds ludicrously small to us now

when gauged by the money value of those days, was no inconsiderable sum.

The Ironmongers were responsible for a fair share of the topography of the old City of London, and Ironmonger Lane received its name as the residence of many in that trade. The activities of this great Company were numerous and varied. In 1545 they subscribed £40 toward assisting the City to buy and lay up stocks of corn in times of plenty, to retail to the needy at reduced prices in times of scarcity. In another year they sent men "in armour and splendidly dressed" to attend the May-game that preceded Queen Elizabeth to Greenwich. In 1562 they provided nineteen soldiers as their proportion of a levy of men for the Queen's service, and seven years later sent another twenty-eight to fight against the rebels in the north. They paid their assessment of £75 toward building the Royal Exchange, and a subscription of £20 towards cleansing the City Ditch between the Postern and Aldgate. Such were the occurrences that made up the life of this great livery company, until with changed conditions came the slow dimming of the sunset and its after-glow, and the Ironmongers' Company settled into the place in the community which it holds to-day.

The Vintners' Company, known in the time of Edward III. as "the Merchant-Tonners of Gascoyne," included two classes of dealers—the "vinetarij," who were the merchant importers, and the "tabernarij," who were the retailers and tavern and cellar-keepers. Their Guild, however, as such, does not seem to have been incorporated under the name of Vintners until 1437.

The King appears to have farmed out the control of the entire retail trade in wine and spirits to the Vintners' Guild.

Their charter ordained that the Company "shall choose each year four persons of the most sufficient, most true, and most cunning of this same craft (that

IRONMONGERS HALL

From an XVIIIth Century engraving published by John Bowles

hold no tavern) and them present to the Mayor of London, or other presiding officer, and swear them in such presence to oversee that all manner of wines whatsoever they be, be sold at retail, in taverns of reasonable prices, etc. That the Taverners shall be ruled by the said four persons, who are empowered to correct and amend defaults which may be found in the exercise of the same craft, and punish, therefore, according to their good advice and consideration, with the help of such mayor or president."

And it further allowed "the Merchant-Vintners of England to buy cloth, and the merchants of Gascoyne, bringing wines to England, may buy dried fish of the shores of Cornwall and Devon; as also herrings and cloth in what other parts of the kingdom they please, subject to certain regulations which are prescribed." Another note informs us ". . . that all manner of wines coming to London shall be discharged and put to land above London Bridge, against the *Vintry;* so that the king's bottlers and gaugers may there take custom."

Of all these old-time privileges one delightful custom still remains, while even now Vintners have no need of an excise licence. The Vintners' Company controls and is responsible for a third part of all the swan in the Thames, and each year makes a formal excursion from Oxford down the river to view the work done by the professional "Nickers." To distinguish the Vintners' swan from the others, two nicks are made in each swan's bill, and the spring broods are nicked like their parents.

From this old custom has come the name of many public-houses throughout these islands, but in a misunderstood sense, for "the two nicks" have been changed in course of time to "the two necks." The imaginative publican, thinking to dignify his house by legend or fancy associated with the Vintners' Guild, names it "The Swan with the Two Necks," and accompanies the title with a gorgeous picture of a swan whose

two long necks are extending in different directions. The story of the gifts, the entertainments, the levies, and the whole life of the Vintners is similar to that of the other old companies. Its detail then is unnecessary. Let us only add that the Vintners' Hall, with its beautiful architecture, fascinating and mellow with history, is still in an unassuming and charming manner the home of delightful banquets, where good fellows meet together and entertain with a spirit of camaraderie those who are so fortunate as to be their guests.

Of the last on the list, and the youngest of the twelve great companies, *The Clothworkers*, but little remains to be written here which is not repetition.

This Guild was made up of a number of trades, united by their association with cloth. The weavers, or tellarij, separated themselves from the drapers and tailors and took the name of "sheermen," and to these in the course of time were added fullers, burrellers, testers and dyers. The burrellers were inspectors and measurers of cloth, taking their name from its stipulated width, two ells wide from list to list, this width being called burrell. Their charter was given in 1482, and while they were first known as the shearmen, their title was changed by Queen Elizabeth to the "Masters, Wardens, and Commonality of Freemen of the Art and Mystery of Clothworkers of the City of London." And so the great Company of Clothworkers came into its strength. It grew very rich and powerful, was responsible for many great and good deeds, and controlled and fostered one of the most magnificent industries of which this nation boasts.

The words of Elkanah Settle, spoken at the inauguration ceremonies of Sir Thomas Lane as Lord Mayor in 1694, may be rewritten here, for they are true now as they were then. He said: "The grandeur of England is to be attributed to its Golden Fleece,[1] the wealth of the

[1] The Golden Fleece is the crest of the Clothworkers' Guild.

loom making England a second Peru, and the back of the sheep and not the entrails of the earth being its chief mine of riches. The silkworm is no spinster of ours, and our wheel and web are wholely the clothworkers. Thus, as trade is the soul of the kingdom, so the greatest branch of it lies in the clothworkers' hands; and though our naval commerce bring us in both the *or* and the *argent*, and indeed the whole wealth of the world, yet, when thoroughly examined, it will be found 'tis your *cloth* sends out to fetch them. And thus whilst the imperial Britannia is so formidable to her foes, and so potent to her friends, her strength and her power, when duly considered to the *clothworkers'* honour it may justly be said, 'tis your shuttle nerves her arm and your woof that enrobes her glory!"

IX

EARLY BRITISH COMMERCE

HE early steps of trade and barter in any country must always be regarded with considerable interest, and we find much romance surrounding the rudimentary enterprise of the first British merchants.

Commerce may be said to have begun in these islands when the hardy and bold Phœnicians sailed their tiny boats two thousand five hundred or more years ago, and initiated the inhabitants of what is now Cornwall and the Scilly Islands into the elements of trading, bartering with them the manufactured products of the East for their precious tin.

Wherever the *true* merchant finds a footing he studies to improve his knowledge, his experience and his fortune; and while tin was the first magnet which drew these early traders so far from home, they soon found themselves able to trade profitably in lead, timber, hides, corn, etc., and it is said Julius Cæsar was first tempted to cross the Gallic Strait on the report that British pearls were obtainable in these waters; while from the same not too dependable authority we learn that his soldiers opened a thriving trade with the towns along the coast for oysters, and for ferocious bears whose readiness to fight excited the populace of Rome, when the gates of the Coliseum were thrown open.

The Romans occupied these islands for about four hundred and fifty years, and it is to-day a source of wonder that their presence here for so long a time has

ROMAN BOATS

BEING LOADED AT A RIVER LANDING

A relief at Ostia

left such a slight impression upon the country. They built some roads, which even now are indicated on the maps as Roman. Every country road in Great Britain now called street, as for example Watling Street, or way, as Icknield Way, was originally a Roman-built road, constructed for military purposes. But these roads are no better for being Roman than those later roads which intersect them. Their chief towns were settlements before they came. They left no Roman industries, no great monuments of accomplishments of any kind. They were a military people, who looked upon this far-off colony as a temporary camping ground. The personnel of the legions was, no doubt, constantly changing; no one looked upon Britain as his home; no one established himself here as a permanent resident.

Had a more commercial people followed Cæsar's lead a far different condition would have resulted. If the Phœnicians had been inclined to settle on these shores instead of trading their stuffs for raw products only, the probability is that the position of Britain as the leading commercial country of the world would have been attained many centuries earlier.

Yet the Romans, by their very presence, did, after all, do a good deal to stimulate commerce, and their straight military roads must have greatly facilitated intercommunication. The soldiers with the luxurious tastes and habits of Rome inspired the people whom they found here to think more definitely of supplying them with what they wished, in return for good Roman coin. The British developed, at first in a very crude way, the simple manufacturing resources of their land. From this time date the first efforts in iron working in Wales and the West of England, and we are even told that the Staffordshire potteries trace their history to the coming of the Romans, though it must be confessed that crockery was still a rarity, if not a luxury, in Elizabethan days, and bricks used architecturally had not long been in fashion. A demand generally produces a supply, and the inborn

talent for trade in the early dwellers in these islands developed soon after a public appeared to whom their products could be sold. We are told that even in those early days London, Canterbury, Rochester, Richborough, Dover, Exeter, Chester, York, Aberdeen and Dumbarton became notable resorts for merchants.

Upon the introduction of Christianity, the pious men who betook themselves to monasteries became the special patrons of commerce and agriculture. "We command," so ran one of Edgar's laws, "that every priest, to increase knowledge, diligently learn some handicraft." Smiths and carpenters, fishermen and millers, weavers and architects, are frequently mentioned by old chroniclers as belonging to various religious houses. The smith was the oldest and the most honoured of all workmen. In a curious collection of Anglo-Saxon dialogues the smith is made to ask, "Whence hath the ploughman his ploughshare and goad, save by my art? Whence hath the fisherman his rod, or the shoemaker his awl, or the seamstress her needle, but from me?"

Then the merchant asserts his dignity and the honourable nature of his calling. He wishes his position recognized. "I am useful," he says, "to the King and his nobles, to rich men and to common folk. I enter my ship with my merchandise and sail across the seas, and sell my wares, and buy dear things that are not produced in this land, and bring them with great danger, for your good; and sometimes I am shipwrecked and lose all my wares and hardly myself escape."

This piece of Early English advertising is interrupted by someone who asks the merchant a question. "What is it you bring us?" "I bring you," he replies, "skins, silks, costly gems and gold; various garments, pigments, wines, oil, ivory and brass, copper and tin, silver, glass, and such like."

Another asks, "Will you sell your things here as you bought them there?" "Nay, in truth," replies the merchant honestly to this foolish question, "else where

would be the good of all my labour? I will sell them here dearer than I bought them there, that so I may get some profit to feed me and my wife and children." And, had he been a more expert advertiser, he might, as long as he had the attention of his public, have added a few more pointed remarks on value giving, lowest prices for equal qualities, etc.

Britain, some five or six hundred years after Christ, was still on the extreme outskirts of the civilized world, but its people even in this early day were controlled by the inborn love of commerce. And since the great Venetian merchants did not enter the arena of real activity until seven hundred or eight hundred years later, and the Augsburg merchants did not become famous until centuries later still, it would almost seem that the progress of Britain should have been greater than it actually was.

Her isolation, however, handicapped her too heavily. Though her merchants went frequently to the Mediterranean, to Iceland, to Norway, and wherever they could hear of a chance to trade, the population, or that portion of it which possessed the wherewithal to buy, was very small and scattered, and there were no immediate neighbours with whom to barter.

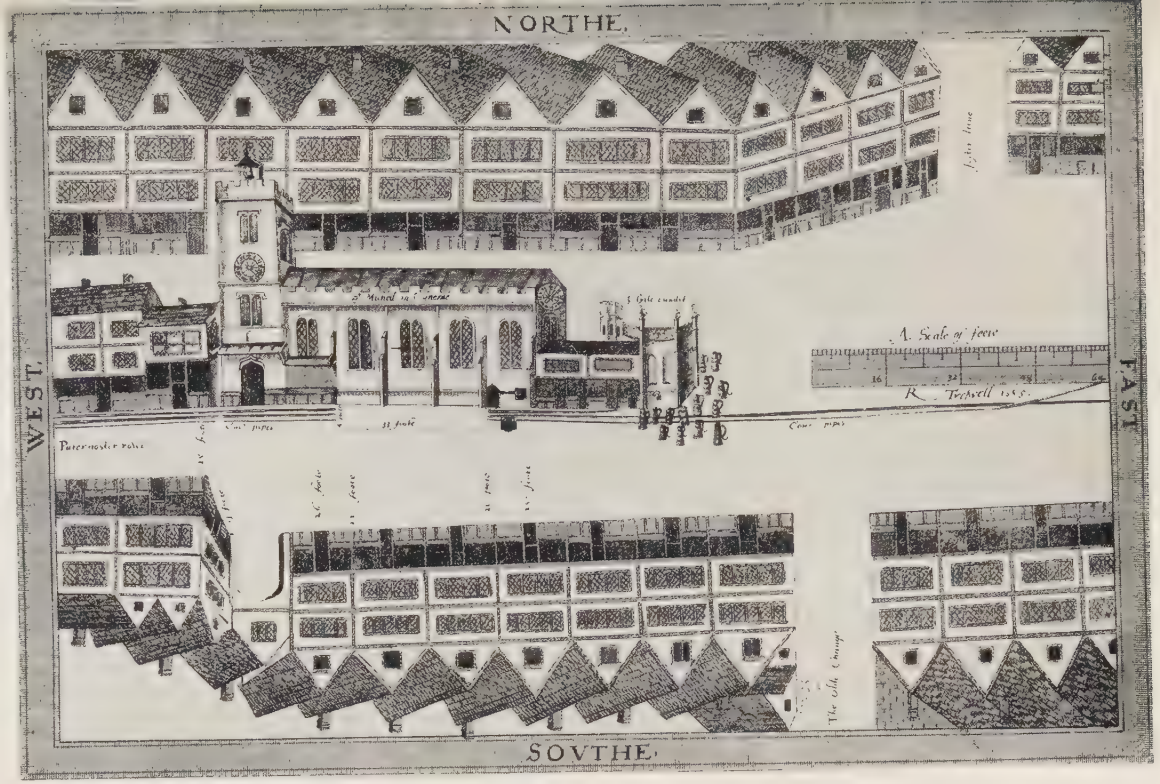
So Venice won, then Augsburg, then Cadiz; but when trading conditions improved, when peoples in foreign lands by the aid of larger, faster, and safer boats became nearer neighbours, when the natural obstacles were reasonably overcome, then the Anglo-Saxons became the greatest merchants, the greatest traders of them all. They loved their work; they feared no man and hesitated to approach no people with their merchandise.

All the virility of which the Anglo-Saxon was capable was poured into the great cauldron of trade for trade's sake. Trade laid the foundation upon which the nation was builded. Trade demanded and received the best of her ability. Trade brought wealth, power, and the respect of every competitor, to every nation on the globe.

During the infancy of British trade, the merchants were also the captains of their little ships. They risked their all in their ventures; and while the storms were as great then as now, the waves as high, the shores more threatening, these fearless men made their voyages in tiny boats, rudely constructed of wood, propelled by eight or ten oars, and perhaps assisted by one small square sail suspended from a single mast. These boats were seldom large enough to hold more than half a dozen men, with two or three tons of cargo.

No compass could guide them, for compasses were not known. China had invented them centuries before, but had forgotten all about them, and they awaited re-invention. Yet these courageous merchant-sailors went where they would, in vessels hardly more than skiffs, and we are not surprised that a law of Ina decreed that every merchant who had been thrice across the sea with his own ship and goods, even though he were by birth a serf, was to have the rank of Thane, with particular jurisdiction within the manor of which he became lord.

To illustrate the conditions of trade in the seventh century we may quote from one of the laws of Lothair of Kent, which allowed no one to buy anything worth more than twenty pennies—equivalent to perhaps five pounds of present money—except in the presence of the chief magistrate, or before two or more witnesses, and within the walls of a town. Another of Lothair's laws decreed that "if any one of the people of Kent buy anything in London he must have two or three honest men, or the King's portreeve, present at the bargain," and in a third it was written, "Let none exchange one thing for another, except in the presence of the Sheriff, the Mass priest, the lord of the manor, or some other person of undoubted veracity. If they do otherwise they shall pay a fine of thirty shillings, besides forfeiting the goods so exchanged to the lord of the manor." Rogues were evidently plentiful, and these laws aimed at protecting honest, simple-minded people, but they



WEST-CHEAP

AS IT APPEARED IN THE YEAR 1585

From a print published in 1814 after a drawing made by R. Treswell in 1585

also assisted the municipalities in obtaining their revenues from the transactions.

Early in the eleventh century a regular tariff was put into force for the City of London by Ethelred the Second:

"If a small vessel came to Billingsgate, the toll was one-halfpenny; if a larger vessel, and if it had sails, a penny; if a full-sized hulk came and remained, fourpence. From a vessel laden with planks, one plank was demanded. The weekly toll of cloth was taken on three days—Sunday, Tuesday and Thursday. Whenever a boat with fish in it came to the bridge, the dealer gave a halfpenny toll, and for a larger vessel, a penny. From panniers with hens, if they were brought to market, one hen was taken as toll; and from panniers with eggs, five eggs. Cheesemongers, who traded in butter and cheese, gave one penny fourteen days before Christmas, and seven days after they gave another, by way of toll."[1]

Fairs, religious in origin, as we have read in another chapter, gradually became important centres of local trade, and were so attractive to villagers that they sought more frequent opportunity of bartering their sheepskins and agricultural products for the tradesmen's goods, and fairs in this way became markets.

The Norman Conquest had a somewhat complex influence upon trade, for while the haughty barons affected to despise industry, the free communication with Normandy acted as a stimulus upon the Anglo-Saxons. They resented the invitation given to foreigners to settle in England, but profited by them none the less. It was about this period that the Jews were encouraged to make their home in this country. Penalties were removed and privileges granted them. The more rich men England could boast of the better for the rulers, since there were then greater sources from which money could be obtained when wanted, and the Jews then, as now, counted well on the side of wealth.

[1] Thorpe's *Ancient Laws*.

To another handful of half-drowned immigrants England owes her pre-eminence in the woollen trade.

Serious floods having occurred in Flanders in and around Ypres, Henry II. granted permission for a Flemish Colony to settle in Cumberland. England had long grown her wool, and sold the sheepskins to the weavers on the Continent, but with the coming to her shores of the Flemish settlers, came too the knowledge of weaving, and henceforward the wool was spun and woven in this country, with great advantage to its commerce.

Scotland, too, was progressing in commercial skill and its hardy race developing its wonderful ability for trade. The Scottish King, David the First, who reigned from 1124 to 1153, encouraged trade to the utmost of his power. He it was, who first placed Scottish trading on what was then a high level. He invited foreign merchants to visit his cities, and encouraged his own subjects to embark in trading adventures. He granted special privileges to makers of woollen cloths, and when he died left his country far richer in money, in prestige, and in strength than when he became king.

The attitude of the rulers of the various countries greatly affected the various industries. There was not then the independence of feeling that exists to-day, and Royal patronage or evident approval was necessary to surround any occupation with the kudos and enthusiasm that were required to make it thoroughly successful. Even now, and quite naturally so, the attitude which society as a whole assumes towards any calling, or profession, largely establishes its popularity or the reverse.

Henry II. was a monarch who saw in the fostering of commerce the strengthening of the State. He wrote to the Emperor Frederick of Germany in 1157: "Let there be between ourselves and our subjects an indivisible unity of friendship and peace and safe trade of merchandise," and the Germans were quick to accept the proffered hand. His entire reign was one of commercial

prosperity. England, and London especially, reached the highest point it had so far touched in prestige and wealth. One writer, William Fitzstephen, claims that " no city in the world sent so far and to so many quarters its wealth and merchandise, and none was so largely the resort of foreign dealers. Gold, spice and frankincense were brought to it from Arabia ; precious stones from Egypt ; purple cloths from India ; palm oil from Bagdad ; furs and ermines from Norway and Russia ; weapons from Scythia ; and wines from France."

British trade was indeed looking up. London was the chief centre then, as now, but other cities boasted of much commerce and of many merchants of wealth. Bristol received a special royal charter ; Chester was the great *entrepôt* for commodities from Ireland. Gloucester and Winchester were noted for their trade in excellent native wines, for England was then a vine-growing country. Winchester furthermore held a great Cloth Fair, and each year drew to her gates the cloth merchants of other cities. Exeter was filled with wealthy merchants, and rich foreign traders who came for the minerals which the neighbourhood produced.

The town of Dunwich was a port of importance, and Yarmouth, even in those days, was attracting attention as a headquarters for the fishing industry. Norwich, which had been destroyed by the Danes in 1003, had well recovered its position, and Lynn, the home of many wealthy Jews, did a thriving commerce with the Continent. Lincoln possessed a fine canal, constructed under the direction of Henry I., which made it accessible to foreign ships. This canal connected the Trent and the Witham, and through its aid Lincoln was fast becoming one of the most important centres of commerce in England. York, which had suffered much from wars, and, later, from great fires, still attracted ships from Germany and Iceland. Grimsby was favoured by merchants from Norway, Scotland, the Orkneys and Western Isles. Whitby and Hartlepool were trading centres,

while Newcastle-on-Tyne, a new and well-built town reared on the site of the ancient village of Monk Chester, was already a market for coals, and sent them to many parts of Europe.

Edinburgh was still a place of slight importance, and Glasgow hardly more than a village. Berwick was the chief part of Scotland, and one of its citizens, a Dane named Cnut, was so wealthy that when a vessel belonging to him, and carrying as a passenger his wife, was seized by the pirate earl of Orkney, he was able to spend a hundred marks in hiring fourteen good ships, properly equipped, with which to punish the offender.

In Ireland, Dublin had been practically snuffed out during the English conquest of the country; but Henry II., always keen to develop his dominion, assigned it to the citizens of Bristol on condition of their colonizing it anew. So well did they perform their duty that we are told it soon almost threatened to rival London as a centre of trade and wealth.

Thus fostered by the protecting hand of wise kings, the commerce of Britain grew, like a small tree from a tiny seed, and thrust its roots into the none too rich soil of a thinly populated land. But the kings were not always wise in protecting the sources of their wealth, and the rise and fall of trade caused by the law-makers and rulers may be traced like mercury in the glass.

Laws passed to protect the gay courtiers and wealthy citizens proved a hardship to the working classes. Too much politics then, as now, injured and retarded the very thing which produced the wealth of the country. And as long as the body of the people were too weak to oppose the politicians, they sat by and saw their means of livelihood dissipated or curtailed.

In the thirteenth century the rulers of the country arbitrarily and unwisely decided that certain almost impossible restrictions should be placed upon visiting foreign merchants, and those merchants therefore ceased to trade. Petty jealousies were thus fortified at a very

MAP OF OLD LONDON

PORTION SHOWING CHEAPSIDE, POULTRY, FRIDAY STREET, ETC.

From an engraved map in the British Museum

great cost to the State. They also concluded that no wool should be exported, and that no apparel made outside this country, or made of imported materials, should be used by the people, and the result was immediately disastrous to the country's prosperity. Even the headstrong rulers soon saw the seriousness of their act, and the law was repealed in favour of dealers from France and Normandy, and although through personal and national jealousies it was nominally enforced against the Flemings, smuggling became so popular "that in 1270 at one seizure the Countess of Flanders, by way of reprisal, forfeited 40,000 marks' worth of English goods waiting to be sold in her dominions."[1]

Difficulties without number were put in the way of the development of commerce. We need not assume that they were always the result of personal inclinations, of jealousies, or of spite, for they were, more often than not, due to lack of intelligence or breadth of view. Even in this twentieth century of ours, many irritating and quite unnecessary laws are still put upon the statute books simply because the law-makers rush through some totally impracticable and unworkable theory. They seem to be incapable of a careful study of the possible results of their action, and as they usually fail to consult the men who are, the country suffers from their lack of special knowledge. Yet men occupied in any given line of industry can be, and very often are, entirely unselfish. They can and, if called upon, often do decide on the best for the country at large, rather than for their own immediate pockets. Why, therefore, should they not be consulted upon matters vitally touching their own interests?

On matters of finance the broad-minded financier should be able to supply the wisest counsel; on matters of commerce, the public-spirited, successful merchant should know better than the professional politician; on matters of shipping the keen-witted, broad-minded

[1] Bourne's *English Merchants*. Chatto and Windus. 1886.

shipowner; and on matters of law the fair-minded lawyer. But if the lawyer undertakes to settle matters of finance, or of commerce, unaided by the advice of those who are better acquainted with its intricacies than he, it is as reasonable as to expect the merchant to pronounce a wise final judgment on matters of theology, astronomy, or any other highly specialized science. If politicians could only be a little more practical and put their country before themselves, choose and stick to principles of utility in preference to those that afford electoral cries, progress would be greater the world over; for we must, regretfully, accept it as a fact that any progress made is rather in spite of the politicians than by their aid.

Dishonesty and trickery will, unfortunately, too often associate themselves with trade. To be dishonest, however, is silly, to say the least of it, for honesty always wins in the long run. But the early years of British trading were burdened with an overweight of unsatisfactory dealing. The traders sold short measure, weighed on untrue scales, used illegal weights, clipped coins, and did many other things which they ought not to have done. Tricks of all kinds, from mean little halfpenny acts down to gross dishonesty, were constantly practised. The absence of permanency, or of the desire to build a business for the future, made it easier to get as much as possible from each customer. The poor producer from the country who brought his wares or grains to the market found himself too often helpless in the hands of the unscrupulous dealer, and the dealer being the stronger, the producer, or farmer, always came out second best.

We read, as one of many examples, how certain buyers and brokers of corn would buy corn from peasants who had brought it from their farms and offered it for sale. The bargain struck, the buyer paid the seller a penny by way of binding the deal and then told him to take the corn to his house, where he should receive the money. On arriving there the buyer made some excuse, such as

that his wife had gone out and taken the key so that he could not get at his cash-box, and the seller was told to come back again later. On returning, other petty excuses were made, while in the meantime the buyer had wetted the corn with a view to malting it. When excuses could no longer be made the buyer frankly said he would not pay until such and such a day, or if he, the seller, wanted cash at once he would only be paid at a discount. Further objection resulted in the seller being told to take his corn and sell it elsewhere, a thing which he could not do because it had been made unmarketable by being wetted.

It is difficult for us to understand how such a petty trick could be worked more than once, but inasmuch as it was often done, we must conclude the farmer was made of weak stuff and did not possess the same ability to use his fists which he might exhibit to-day. Fists, at any rate, would have been more permissible then, in the absence of any official authority to help him to receive his rights.

Old clothes were rubbed and varnished up to be sold as new; shoes were made of dressed sheepskin and charged for at the price of tanned ox leather; sacks of coal sold underweight; rings of common metal gilded and sold as gold. These petty tricks were the common practice of the thirteenth century and are not entirely unknown in the twentieth, though it is now the buyer's own fault if he or she is imposed upon. All tricks, of whatsoever kind, which depart if only by a hairbreadth from strictest integrity are silly, and prove the stupidity both of the one who employs the trick and the one imposed upon. No great and lasting commercial success has ever been built on dishonesty. That business which builds on any foundation other than sturdy integrity is sure to fail, or at least to accomplish small results.

At last someone in authority was roused to activity, and locked up in the Tower twenty merchants who had been deceiving their customers by false weights and other means, and held them there until a fine of £1000 had

been paid. This happened in 1269, and it was followed by a good deal of legislation to govern trade, which erred on the side of severity.

It was with determination to withstand the aggressions of the Crown, and to maintain their interests in dealing with foreigners, as well as to protect themselves against impositions, that honest merchants clubbed together and formed guilds and societies. To them probably more than to any other source does Britain owe its world-wide reputation for excellence of production. The pendulum reached its farthest point when foreign merchants were required in dull seasons to leave port and sail back home even if their load of merchandise had not been sold. But this obviously unfair rule was withdrawn in the year 1303, a year which occupies a conspicuous place in Britain's commercial history, for it also saw the birth of Edward the First's famous document, known as the Charta Mercatoria, or the Statute *de nove Custuma*. This has been called the Magna Charta of Commerce, and it marks a great step forward. It granted that:

"The merchants of Germany, France, Spain, Portugal, Navarre, Lombardy, Florence, Provence, Catalonia, Aquitaine, Toulouse, Flanders, Brabant, and all other foreign parts, who shall come to traffic in England, shall and may safely come with their merchandise into all cities, towns, and ports, and sell the same by wholesale only, as well to natives as to foreigners. And the merchandise called merceries—miscellaneous haberdasheries of all varieties, toys, trinkets, and the like—as also spices—gross spiceries or groceries, as well as minor spices—they may likewise sell by retail.

"They may also, upon payment of the usual customs, carry beyond sea whatever goods they buy in England excepting wines, which, being once imported, may not be sent abroad again without the special licence of the King. Wherefore, all officers, in cities, towns, and fairs, are commanded to do sure and speedy justice to all foreign merchants, according to the law-merchant, or merchant's custom; observing these three points especially—first, that on any trial between them and Englishmen, the jury

SOUTH VIEW OF THE CUSTOM HOUSE, LONDON

BURNT IN THE GREAT FIRE OF LONDON, 1666

From an engraving after a scarce print dated 1663 by Bartholomew Howlett

shall be one-half foreigners, where such can be had; secondly, that a proper person shall be appointed in London, to be judiciary for foreign merchants; thirdly, that there shall be but one weight and measure throughout the land.

"In consideration of those privileges, certain fixed duties were to be levied from the strangers; two shillings on every tun of wine imported over and above the old custom of half a mark; ten shillings on every piece of scarlet cloth dyed in grain; and 'over and above the old customs on such kinds of merchandise,' an *ad valorem* duty of threepence a pound on miscellaneous articles, 'such as silk, sarcenet, lawns, corn, horses and other live cattle, and many other kinds of merchandise, both imported and exported.'"

We have quoted this important decree in some detail because of its far-reaching effect, for while it was often infringed upon in succeeding years, it remained as a bulwark against the opposition to the foreign trader, which often owed its existence to a narrowness of local feeling, a petty jealousy, a childishness, for which there should be no room in trade. The oppressive rules which this wise act of Edward I. did so much to correct had worked as hardly upon the English trader as upon the merchant from abroad.

For example: A fair was to be held at Westminster in the spring of 1245. All the tradesmen of London were commanded to shut their shops, and all other fairs throughout England were forbidden during fifteen days, so that the entire commerce of the country should be confined to one place. This arbitrary Act seems to have been passed, not as a vote-catching measure, nor to make a party popular with a great class of employés, but because the Government thought it could thus more easily collect a large amount of money in tolls. But "the best laid schemes," of Governments as well as of men, "gang aft agley," and failure was the result.

No sooner was the fair opened than it began to rain in torrents. The tents proved unable to protect the goods, and vast quantities of clothing and provisions were ruined, and the dealers, standing in the mud,

waited there day after day for customers who never came. We read, however, that "the King did not mind the imprecations of the people."

But even under such wretched treatment trade continued to grow. The act of Edward I. did much to help it. In the great Charter wrested from King John it was declared that:

"All native merchants should have protection in going out from and coming back to England, as well as while residing in the Kingdom, or travelling about in it, without any impositions so grievous as to cause the destruction of his trade. Two important steps furthermore were gained by the assignment of different branches of commerce to different classes of tradesmen, each of whom made it a point of honour as much as possible to extend and improve his own calling; and by the establishment of settled places of trade, in lieu to a great extent of the older practice by which every merchant was a sort of pedlar."[1]

These steps of progress, as we judge steps nowadays, were very slowly made. Imagination, the quality that inspires trade with the breath of romance, was hardly recognizable in them. A sparsely peopled country, with a trade that was chiefly local, encouraged few dreams of a commercial conquest of the world. The guilds were not yet sufficiently strong to give a sterling dependability to all goods of British manufacture. Traders, as regards England, were still pioneers.

But London was growing in population, and had gradually become the permanent residence of the men who were the founders of England's race of great merchants. The business was all done within the City walls, and in this small area grew and flourished many markets. We find at this period Chepe, or West Chepe (now Cheapside), as the head-quarters for bread, cheese, poultry, fruit, hides, onions, garlic and similar articles. The dealers traded in little wooden stalls two or three feet wide, in tightly built rows along the roadside. In Cornhill, grains and all articles manufactured of wood and iron were offered for sale; Soper's Lane (now Queen

[1] Bourne's *English Merchants.*

Street), running at right angles to Cheapside, was the district for pepperers or grocers; Poultry, still so called, was occupied by poulterers who were freemen of the City; while Leadenhall claimed the dealers in fowls and game who had not the honour of being accepted citizens.

The pavements at Grace Church, and before the Convent of the Minorite Friars at New Gate, were devoted to miscellaneous dealings, and here merchants of all sorts and conditions were allowed to occupy temporary stations.

St. Nicholas Flesh Shambles, the precursor of modern Newgate, occupied the centre of Newgate Street opposite the Church of that name.

St. Mary Woolchurch haw was located on the south side and a little back from the main thoroughfare leading from Cornhill to Cheapside, and in this open space stood the public stocks or pillory. In 1289 the space on the north side of St. Mary Woolchurch was covered with permanent buildings or booths and received the name of Stocks-market, or the "Stockkers," and so it remained until the Great Fire. Here was the meeting place of wool and cloth merchants, while, in all parts of the city except Cornhill, carts might stand loaded with firewood, timber and charcoal.

The location of the original stocks-market was in 1667 thrown into the roadway and the site of Woolchurch and Churchyard was converted into Woolchurch Market, although the previous name of Stocks-market still lingered. This was the site which was chosen for the Mansion House in 1738 and the market was swept away.

Westminster, the independent little settlement situated west of the City, had also its collection of markets, the chief one being at the gates of West-Minster-Hall.

Finally, those merchants who found the markets too far from the homes of many established depôts where they thought they could do a business, the ground floors of their houses were turned into shops, and the entire condition of commercial London was not unlike that of a far-west Canadian small city, as it might have been toward the end of the nineteenth century.

X

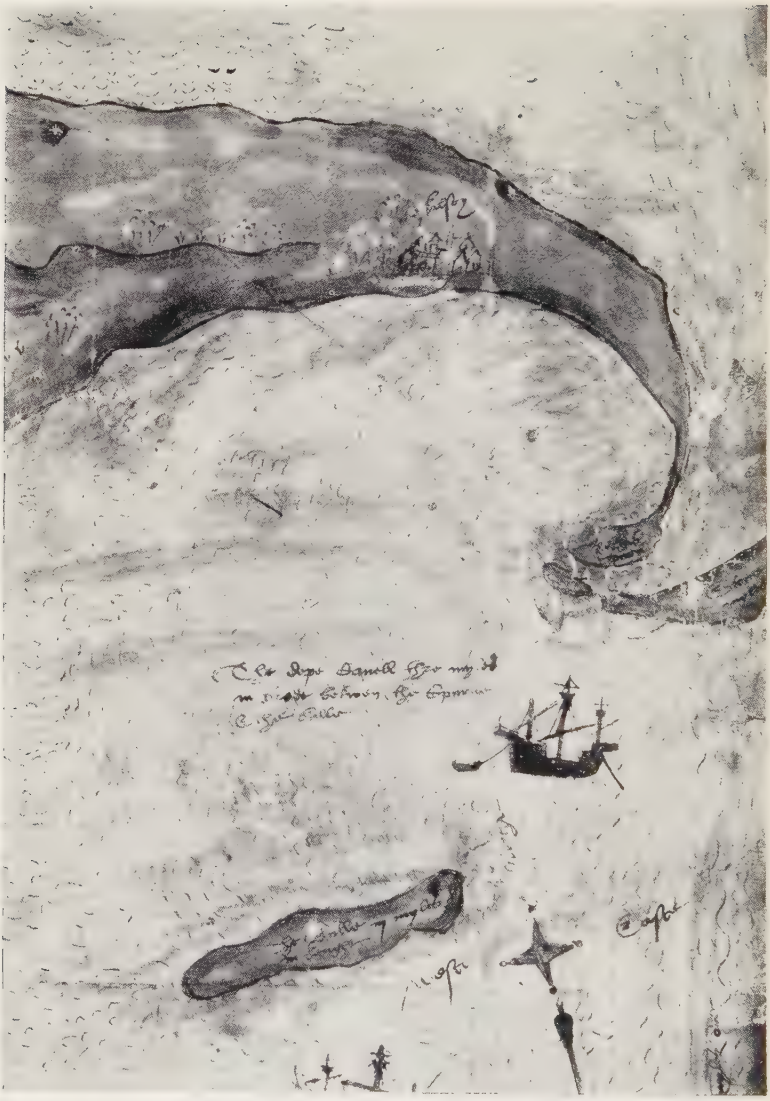
THE DE LA POLES OF HULL

c. 1272–1366

THE gradual development of British trade brought into prominence several great names of merchants who are entitled to a place among the leading men of Commerce in history. Even so early as the beginning of the fourteenth century, several men appear who by ability, nerve, and a certain commercial flair won high place in the opinions of their fellow-countrymen, and made themselves powers in the State.

Among the first of the conspicuously successful men were the members of the de la Pole family of Hull, who are said to have come over from France with William the Conqueror. Be that as it may, this family of strong men soon grew away from, or forgot, their Norman ways, and became thoroughly English, establishing branches in Middlesex, Oxford and Devon during the reigns of the first Plantagenets, though according to some authorities the consanguinity of these branches is very doubtful.

Their early reputation was obtained as soldiers and courtiers. In 1264 a William de la Pole of Middlesex "lately decorated with the belt of knighthood" was ordered by Henry III. to receive £10 "to purchase a house for his use as our gift." Several members of the family fought for Edward I. in the Conquest of Wales, and received as reward a large grant of land in Montgomeryshire. But in 1272 a Nicholas de la Pole was



OLD MS. MAP OF THE SITE OF RAVENSROD

(EARLY 16TH CENTURY)

From a reproduction in the British Museum

appointed one of the authorized collectors and receivers of the goods of the Flemish merchants of England, and about the same time William de la Pole of Totnes, with other merchants, received the sum of £12 9s. 5½d. for cloth sold to the King at Winchester Fair. This William was also well known in Rouen, and probably acted as his own commercial traveller between England and France, but he removed later to Ravensrod, then a newly founded town in the south-eastern corner of Yorkshire.

The brief history of Ravensrod is a curious one. The site was originally a small island a mile from the mainland, formed by gradual heaping up of stones and sand from the action of the ocean currents on one side and the River Humber on the other. This island later found itself connected with the mainland by a tiny neck of land, very narrow, but just broad enough to act as a road. As a peninsula it evidently possessed special advantages as a site for a mercantile trading town, which were immediately recognized by the quick-witted inhabitants of the neighbouring town of Ravenser.

Thus came into existence what was first called the town of Odd, then Odd-juxta-Ravenser, then Ravenserodd, and finally Ravensrod. It proved an excellent landing-place, and at first was free from what at this present day and throughout all history has been an obstacle to progress, namely undue civic interference. It soon grew into an important mart, so much so that in 1276 the people of Grimsby, on the opposite side of the river, complained to the King of the great damage it was doing their trade in causing them a loss of £100 a year.

The King seems to have felt that competition, as long as it was fair and above board, was not a bad thing, and that any community of people who could not meet it in the same frank spirit deserved to lose. At all events, he paid no attention to the childish complaint; but according to their competitors these aggressive and

unscrupulous merchants then sailed in their small boats into the North Sea and intercepted the trading ships and fishing smacks, inviting them to put in at Ravensrod where the trade was so much brisker than that of Grimsby, that often forty shillings could be obtained for a last of herrings against not more than twenty shillings at Grimsby. Even if this was true, it ought not to have been hard for Grimsby to pay them back in their own coin. The rivalry, however, was not destined to last for very long. In 1361 a great flood drove all the inhabitants of this lively little place to seek shelter on the mainland. The whole peninsula was wiped off the map, and the spot is now marked only by the solitary Spurn Head lighthouse, for of the mainland town of Ravenser as well as of Ravensrod not a vestige remains.

William de la Pole, as we have seen, had become one of the prosperous merchants of this "great flourishing city," and had probably done his share to disturb Grimsby's peace of mind, but he had been gathered to his fathers fifty years before the great catastrophe came upon them. His widow married for her second husband John Rotenheryng, a famous merchant of Hull; but we are more concerned with the sons, of whom the eldest, Richard, was born about 1280; the next, William, a few years later; while of the third, John, we know but little.

These sons early tasted the pleasures of commerce. They learnt to be adventurous—to risk money and safety in the hope of accomplishment. They took frequent voyages with their father in his good ships to Flanders and France. They met and bartered on those foreign shores with the richest merchants of the world. They sold them the wool and leather of England, and bought their wines and timber. This was a splendid training for the young "merchant-adventurers," for while full of danger, it sharpened their wits and cultivated their imagination to the full.

During their journeys they were likely at any time to be attacked by French or Scottish pirates, when, as all

THE SITE OF RAVENSROD

From a map in the British Museum

sea-traders knew in those wild days, unless they were strong enough to beat them off or fleet enough to escape, their goods would be seized and they themselves butchered or held captives until a sufficient sum was paid in ransom for their release. These conditions were bad during the energetic reign of Edward I., but were much worse under the poor, weak rule of Edward II., and it was no doubt for greater safety that the brothers removed soon after their father's death to the fortified and rapidly growing city of Hull, twenty miles to the west.

Hull, or Wyke-upon-Hull as it was then called, was owned by the monks of Meaux, who were themselves shrewd traders and encouraged trade in others. It was the home of many foreign merchants, especially of those from Florence and Flanders. The Italian merchants were also great money-lenders, and this so well suited the requirements of Edward I. that, as he had been struck with the possibilities of its situation, he went to the length of buying the city from the monks in 1298. After this it prospered more than ever. In 1297 it was made the sole port of exportation of Yorkshire wools, and when in 1298 York was made a "staple town," it was with the proviso that all its goods should pass through Hull. By the year 1300 it claimed one-fourteenth of the entire English export trade in wool, rough sheepskins and prepared leather. Indeed in some years its trade in these articles was half as great as that of London. Our first actual knowledge of the de la Poles as living in Hull dates from 1316, the year of the great famine, when wheat rose in price from six shillings and eight pence to forty shillings a quarter. At this great pass, Richard de la Pole determined to visit foreign ports and bring back grain, thus serving both himself and the suffering public. His act brought him into considerable notice, and he seems to have gained more and more influence at Court, being appointed to one office after another. We find him lending the King on various securities

£4000, £2000, £1200 and so on, which were considerable sums in those days.

He was highly esteemed by his debtor, for in 1328 Richard received from Edward III. a Christmas present of 1000 marks "in consideration of good services done by him," while in the following years he was appointed to further offices of honour—among them that of testing the quality of wine used at the royal table—and these duties demanded so much of his time that Richard decided to remove to London. Here he lived respected and honoured; a rich man, but possessing wealth gained through honest means. He died in 1345, and at his death passed away the first conspicuous merchant-prince of England.

In the meantime Richard's younger brother William, who had continued the business at Hull, was rising to the highest honours. In a thinly peopled country, situated on the extreme border of the known world, he had discovered the delights and fascination of world-commerce, and he and his brother made for the merchant the position to which all sterling success is entitled. William became richer and richer. His influence was far-reaching, and continually grew greater. When King Edward passed through Hull in the autumn of 1332 on the way to begin his Scottish wars, "he himself with several of his nobles and attendants following after . . . were splendidly and nobly entertained by William de la Pole." So says the history of Hull, and the King was so pleased with the town and its people, and so impressed with his host, that he transferred the local government from the hands of a bailiff to those of a mayor, and nominated William de la Pole as first to fill that office.

William was called upon to perform many public services. He was sent on a special mission to reprove the Earl of Flanders for giving aid to the Scots. He was chosen mayor to succeed himself; and he was appointed supervisor of all the collectors of customs on the east coast of England, from Hull as far as Lynn.

SIR WILLIAM DE LA POLE

From a painting in the Wilberforce Museum, Hull

England about this time (1337) was quietly preparing for the subjugation of France. Shipowners were busy building new ships and repairing old ones. Everyone was in favour of the coming campaign. William himself was hearty in his approval and in giving his aid, and in 1338 a great responsibility was placed upon his shoulders. He was given the duty of finding and clothing the army which was to be taken to France, and was authorized to seize whatever ships he considered necessary to convey both cloth and corn, and to buy what he could not seize.

On August 4th of the same year William was appointed Mayor of the Staple of Antwerp, and in that city he lived in great state for a year and a half, a period which he considered the most memorable of his public life. To him the career of a merchant was a continual delight, and offered as he thought the greatest scope for organization, for exercising his wonderful power of imagination, and for filling his life with innumerable interests. He conducted many delicate negotiations, and carried through many matters of extreme value to England ; and for his splendid work there King Edward showed his appreciation in five notable documents, all issued from Antwerp on the 15th day of May, 1339.

In one, he and his brother Richard were released from all annual payments on certain properties. In another, he and his younger brother John (of whom we know little else) were relieved from all actions or demands of any kind which might be brought against them. In the third the King wrote: " In consideration of the great and reasonable supply which our beloved merchant William de la Pole has often made to us, and especially after our late passage over the sea, and also of the praiseworthy attendance bestowed by him upon us, we, at the earnest request of the same William, grant and give licence, for ourself and our heirs, to Katherine, wife of the same William, that she, after his death may marry whomsoever she wishes, so long as he be one of the King's subjects, without let or hindrance." This seems a strange

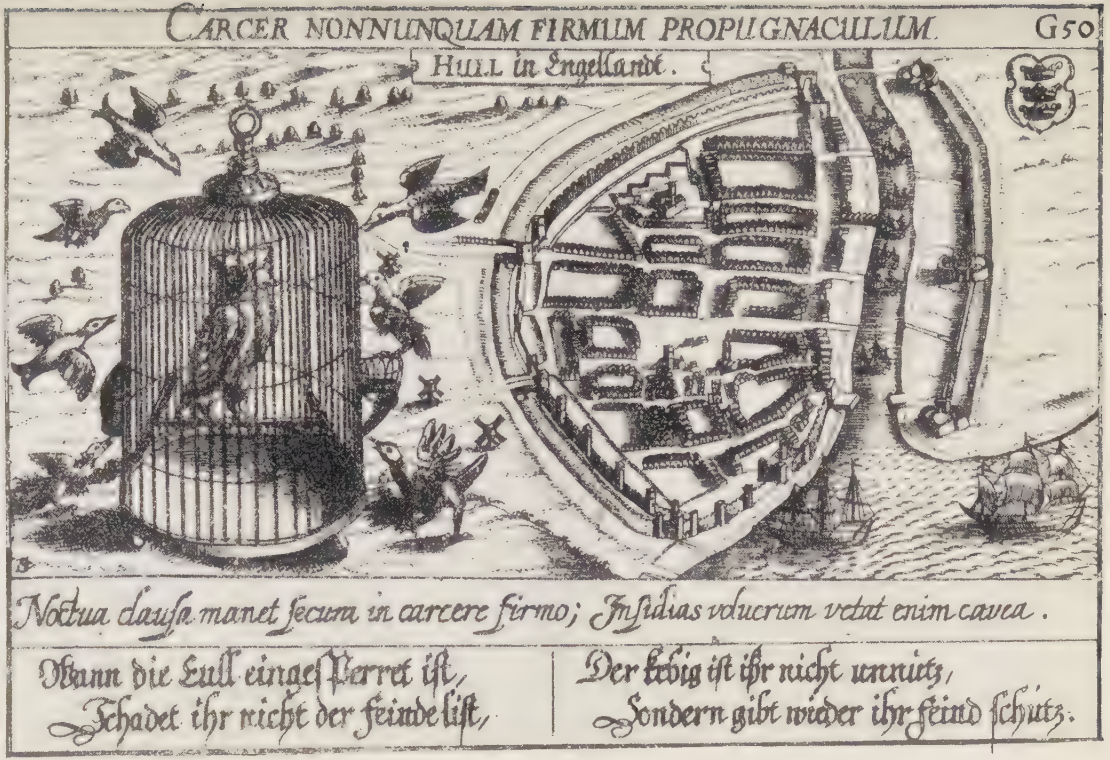
document, but the reason for it was that the marriage of a widow was a prerogative of the King. He could sell it like the marriage of an infant, and usually did so if the widow had money in her own right. It would be interesting to know whether Mistress de la Pole forced William to plead for it, or whether he obtained it for her as a wedding anniversary present. At this time William was about fifty-five years old, and as they had boys grown to manhood she could not have been his junior by a great number of years.

In the fourth document Edward accepted the post of guardian to William's daughters in case of his death, and indicated the amounts of their allowances and the manner of men they might marry. The fifth further complimented William, and promised that he should not be required to attend assizes, juries and the like, nor to act as mayor, sheriff, or agent of the Crown against his will.

William had lent his King large sums, which Edward duly acknowledged. One debt of £76,180 and another of £46,389 19s. 10½d. would in their equivalent nowadays amount to much more than a million pounds. But Edward, like all kings, always needed more money, and regarded his rich subject, the merchant-prince, as the source of an inexhaustible supply. De la Pole not only lent him nearly all his ready money but mortgaged his estates to meet the constant requests. How closely the history of his relations with the King resembles the history of Jacob Fugger, especially in what follows!

As long as his demands were met Edward could not say kind enough things about William, as note this remarkable charter, perhaps unique in the history of Commerce, issued on September 27th, 1339:

"Know that our faithful and well-beloved subject, William de la Pole, presently after our coming to the parts on this side of the sea, hearing and understanding that our affairs, for which we took our journey, were for want of money very dangerously deferred, and being sensible of our wants, came in person unto


CARCER NONNUNQUAM FIRMUM PROPUGNACULUM. G50
HULL in Engellandt.
Noctua clausa manet secura in carcere firmo; Insidias volucrum vetat enim cavea.
Wann die Eull eingeſperret iſt,
Schadet ihr nicht der feinde liſt,
Der kebig iſt ihr nicht unnutz,
Sondern gibt wieder ihr feind ſchutz.

EARLY GERMAN MAP OF HULL

From a scarce print in possession of the Author

us, and to us and our followers hath made and procured to be made such a supply of money that by his means our honour, and the honour of our followers—thanks be to God!—hath been preserved, which otherwise had been exposed to great danger. And afterwards the said William, continuing our supply with exceeding bounty, hath undertaken the payment of great sums for us to divers persons, for which he hath engaged himself by bonds and obligations, and if he had not done so, and intrusted his bounty and goodwill thus, not only unto us, but also unto our confederates and subjects with us in Brabant, we could not by any means have been supplied, but must necessarily, with a great deal of reproach, have ruined our journey and designs. And by his means, being assisted and supplied, we got to Hainault, near the marches of France, but could go no further, our moneys there again failing us. And when it was held for certain that our journey was altogether in vain, and our affairs utterly ruined, the said William, having still a care to relieve our extreme necessity, engaged himself and his whole estate, procured for us a great sum of money, and delivered us again out of exceeding great danger."

This extraordinary confession of a king's dependence on one man makes one wonder why no calculation of the probable expenses was made in advance. Edward seems to have handled the finances of his campaign as the schoolgirl does her first allowance, and that one great trader, a man who by means of world-wide commerce had made every farthing of his fortune himself, should come to the financial rescue of his country and his king, and save the day, is a splendid and inspiring fact that adds its full share of romance and glory to the history of trade.

Edward showed his gratitude by making William a knight-banneret, and then Chief Baron of the Exchequer, excusing him from payment of even the ordinary patent fees. Titles were not always a welcome honour in those days, and were often thrust upon the unwilling recipient to increase the revenue of the Crown. Our merchant-prince had, however, it seems to us, paid out about all that the titles were worth.

His office as Chief Baron of the Exchequer brought about a rupture between him and the King, whom he had so often helped out of trouble. With the usual intelligence, or want of intelligence, which so often characterized the acts of the sovereigns of those days, Edward seems to have thought that he had only to appoint someone to this office, for coin to be instantly forthcoming to carry on his wars. He made his demands accordingly, but here, for the first time, William became unruly. He could not raise any more on his own estate, and there was no reason why he should if he could.

He could not make the people pay over the one-tenth demanded of their incomes because they could not spare it, and to force them spelt possible rebellion. When the money failed to reach Edward in France, he became very angry, and himself came over to England to bring his newly appointed Baron of the Exchequer to order. He actually seized Sir William and his co-workers in this office and thrust them into confinement. How long he kept them there we do not know, but Edward treated his beloved merchant-prince with harshness for some years afterwards. Many of his favours were withdrawn, and payments on loans, made by de la Pole when Edward was in sorest need, were tardily and grudgingly made. We find the King in a somewhat changed condition of mind later, when in 1346, after six or seven years' unfair and unjust treatment, he restored to his "faithful merchant" certain manors which the Crown had illegally taken from him.

By this time de la Pole was about sixty-five years old, and had earned a peaceful old age. He lived at Hull, and still conducted his large business affairs. He was beloved by everyone, and "did mightily encourage and improve his town by many new charters, privileges, immunities and freedoms that he got and obtained for it." He built the Carthusian Priory, part of which is still in existence as the Charter House. This work, amply provided for in his will, was continued by his son and

OLD PLAN OF HULL
XVITH CENTURY
SHOWING THE CHARTERHOUSE OUTSIDE THE WALLS
From an engraving in the British Museum

CHARTER HOUSE, HULL

Reproduced from an illustration in "Old and New Hull" by T. Tindall, Urldridge, 1884

heir; and in addition Sir William erected a building called the Maison Dieu for the housing and maintenance of thirteen poor old men and thirteen poor old women. He died at Hull in 1366. His widow lived until 1382, without making use of her licence to marry again.

William's son Michael began life as a courtier, and became the favourite of Richard II., who made him Chancellor of England in 1383 and the Earl of Suffolk in 1384. But he was a corrupt man, and was impeached by the Commons, and forced to fly from England. To his son Michael, however, the peerage was restored, together with his father's possessions. His son, another Michael, a great-grandson of Sir William de la Pole, was slain at Agincourt, to be succeeded by his younger brother William, who, from being the fourth Earl, became the first Duke of Suffolk. This man conducted the siege of Orleans against Joan of Arc, and became Lord Chancellor, Lord High Admiral, the favourite of Margaret of Anjou, and virtually King of England, until he was hunted down as a traitor and beheaded in 1450.

His grandson Edmund was beheaded by Henry VIII. in 1513 for high treason, having coveted the Crown of England, and Anne, his only child, became a nun. Thus ended the direct line of succession from Sir William de la Pole, the merchant-prince of Hull.

XI

RICHARD WHITTINGTON, JOHN PHILPOT, AND WILLIAM WALWORTH

(*c.* 1350–1423)

ONDON early boasted a number of merchants of importance.

There was Henry Fitz-Alwyn, whose "profession" was that of draper. He was the first Mayor of London, and held this exalted office for a quarter of a century, from its establishment under Richard I. in 1189 to the time of his death in 1214.

Another Mayor of London, Gregory de Rokesley, was the richest goldsmith of his time. He was also a great wool merchant, and is named at the head of fifty-seven dealers in wool, who in 1285 were charged with having caused dissensions between the Earl of Flanders and Henry III. and Edward I., Kings of England, by persistent prosecution of their trade.

Another, Sir John de Pulteney, ancestor of the Earls of Bath, was a draper by trade. He was Mayor in 1330–1331–1333 and 1336. Simon Francis, a mercer of Old Jewry, was Mayor for two years. He died in 1360, the owner of twelve rich manors in London and Middlesex.

History makes but slight mention of these men. Historians are too apt to chronicle the home and foreign policies, Governments and wars of a nation, as though Commerce were some bye-product almost unworthy of

their notice. But Commerce is the backbone of the State and supports the body politic. Wars were waged usually to defend or develop Commerce. The statesman who ignores the trade of his country finds his public life short, and that Government is, or should be, quickly voted out of office, which enacts laws injurious to the commerce that upholds it.

Yet we are supplied with but little information regarding these real builders of England's wealth, and even of that great merchant-prince Richard Whittington we know none too much, and find his admirers, not satisfied with the scanty facts recorded by the historians of the time, resorting to the same quality of imagination which was so conspicuous in their hero.

But imagination may be a pole star in commerce and an unfortunate defect in history. The story that he ran away from home at seven, and then begged his way for several years, rests upon no substantial foundation. The tradition which has been a favourite with the children of all peoples for nearly five hundred years goes on to say that Dick Whittington, hearing that the streets of London were paved with gold and silver, worked his way to the big City, where he was saved from starvation by the kindness of a merchant named Fitzwarren. He lived for some time in this merchant's home in Leadenhall Street, where he was favoured by the merchant's daughter, Mistress Alice, but treated most unkindly by the "vile jade of a cook," under whose direct charge he was. Then one day his master sent a shipful of merchandise to Barbary, and with the spirit of a true sportsman let his servants also venture something on the voyage. Poor Dick had nothing but a cat which he had bought for a penny with which to drive away the rats, which were too frequent visitors to his garret, and so he sent this cat as his "venture." After the ship had been a long time away Dick seems to have concluded that life under the cook's tyranny was hardly worth living, and ran away from his master's house; but he had only reached

Bunhill Fields whan the bells of old Bow Church rang out a melody which seemed to say to him :

> " Turn again, Whittington,
> Thrice Lord Mayor of London,"

and according to the legend Dick thought better of his determination and turned back to the house in Leadenhall Street. We can imagine—for the whole tradition is imaginary—his surprise and delight on returning to learn that his cat had been bought by the King of Barbary for £100,000. Obviously this great fortune at once made Whittington one of the richest commoners in England, and permitted him to marry Mistress Alice, and in time to complete the prophecy of Bow bells, and become thrice Lord Mayor of London.

This legend has been traced back to within a generation of Whittington's death, and a cat is in some way closely associated with his success. Some say that Whittington did marry Alice, and the " Cat " was the name of the ship. Lysons tells us of " a singular discovery of a sculptured stone in basso relievo, representing young Whittington *with the cat in his arms.*" This stone was dug up by those employed in building a sewer at Gloucester on the very spot where Richard Whittington, grand-nephew of the celebrated Lord Mayor, had built his town house in 1460. The stone may have formed part of a mantelpiece, or a tablet over the door of the house, and as the grand-nephew was probably born before his great uncle's death this would seem to indicate that he was familiar with the story of the cat, and proud of the association.

However this may have been, we can safely picture Dick Whittington as serving the long term of apprenticeship required of everyone aspiring to trade on a large scale before he could become a member of one of the great city companies. He had elected to become a mercer, and must have stood day after day in Cheapside or Cornhill offering a stock of haberdashery to the

SIR RICHARD WHITTINGTON

From a print in the possession of the Author

passers-by. His associates were rough and coarse, and his pleasures must have been of the rude sort, which characterized the apprentice life of the time.

The kings of that period differed in no way from the kings of all other times in their chronic shortage of money, and the hard-headed merchants of London were only willing to supply the deficiency on terms not entirely adverse to themselves. Whenever a king needed money he came to the men who were making it, and in return surrendered one after another of his rights. Thus the many unique and special privileges which are possessed by the City of London were all bought with hard cash.

Edward III.'s long reign ended in glooms, plague and pestilence, and the people grew restless and discontented. When news of his death reached the City, a deputation, headed by John Philpot, one of the wealthiest merchants, and including large numbers of the Grocers' Company, waited on the successor, young Richard II., at Kennington. After the usual courtly language, they added: "And, furthermore, we beseech you, most noble Prince, that you would vouchsafe to make some good and profitable end of the discord which lately hath arisen, through the malice of some and not the commodity of any, but to the hindrance and discommodity of many, between our citizens and the Duke of Lancaster."

Parliament, taught perhaps by experience, assumed that the new king would make a bad use of any money given him, and had now become strong enough to exercise some control. Therefore, in granting him a subsidy, it wisely stipulated that the money should be placed for safe keeping in the charge of trustworthy officers, and named John Philpot and a William Walworth as such. This, historians tell us, was the origin of the office of Chancellor of the Exchequer.

William Walworth was a prominent fishmonger and the chief promoter of the Fishmongers' Company, and he and Philpot were the foremost City men during Whittington's

younger merchant years. He, no doubt, learnt much from them, and especially from Philpot, who, we are told by Stow, was "a man of jolly wit and very rich in substance." He had also his full share of initiative and strength of purpose. It was during one of Philpot's terms as Lord Mayor that a merchant of Perth collected a little fleet of Scottish, French and Spanish ships and captured several English merchantmen off Scarborough. He slew their commanders, put their crews in chains, and appropriated the cargoes. No one whose real duty it was seemed to have had enough interest, or energy, or courage to punish this act; but Philpot, with his own money, gathered a few ships, manned them with a thousand armed men, and sailed north. He soon met and defeated the enemy, and in his turn seized fifteen Spanish ships laden with wine which he met on the high seas as he returned to London. On his arrival we read "there was great joy made among the people, all praising the worthy man's bountifulness and love towards his king."

But as might be expected, the weak-kneed peers were jealous of this merchant and condemned his conduct as officious and high handed. They called a meeting of the King's Council, and summoned Mr. Philpot before them.

The Earl of Stafford, who deeply resented this independent action, reproached him the most loudly; but the intrepid old merchant spared neither breath nor words in his reply: "Know, sir," he cried, "that I did not expose myself, my money, and my men to the dangers of the sea, that I might deprive you and your colleagues of your knightly fame, or that I might win any for myself; but in pity for the misery of the people and the country which, from being a noble realm with dominion over other nations, has, through your slothfulness, become exposed to the ravages of the vilest race. Not one of you would lift a hand in her defence. Therefore it was that I gave up myself, and my property,

SIR WILLIAM WALWORTH

From a line engraving in the possession of the Author

for the safety and deliverance of our country." The chronicler adds that "the Earl had naught to answer," and perhaps felt, if the truth were known, that he had already said too much.

Philpot, undaunted by the disapproval of the poor good-for-nothing King's Council, continued to follow the dictates of his conscience, and his good judgment on more than one subsequent occasion was of the greatest service to the nation.

The King finally knighted Philpot and his associate Walworth, not so much because anyone at Court was anxious to allow this honour to these city merchants as that their public acts had made them too conspicuous to be ignored any longer. For, while Philpot had been chastising pirates in the north, Walworth had devoted his spare time to other matters which seemed to him to the advantage of his country. During the year of his elevation to knighthood occurred the Wat Tyler insurrection. Every honest man in the City felt that this must be quickly quelled, and it is said that Walworth was the man who rushed in among the insurgents and slew Tyler with his own hands. He is credited with this speech, when the men of Kent were preparing to retaliate for this deed: "Good citizens, and pious all, give help without delay to your afflicted King; give help to me, your mayor, encompassed by the selfsame dangers; or if you do not choose to succour me by any reason of my supposed demerits, at any rate beware how you sacrifice your King." The citizens immediately acting with one thought, suppressed the insurrection.

John Philpot, merchant-adventurer, died in 1384, and only a few years later we begin to hear authentic accounts of the man who had been studying the characters, methods and manners of his two predecessors.

Richard Whittington was elected Sheriff in 1393. He was at this time about forty years old, a master mercer, and a member of the Mercers' Guild, with five apprentices working under him.

A short time before his promotion to this civic dignity King Richard had wished to borrow, or at any rate to acquire, £1000, and, as usual, approached the City merchants for the money. Instead of trying to trade for some special privilege they declined the loan. The King was much irritated by their presumption. He could not be happy until he had punished these men who were so bold as to try to keep what belonged to them, and, consequently, he summoned the mayor, John Hinde, and other municipal officers before him at Nottingham, and threw them all into prison. He also annulled all City laws, charters and liberties, and placed the whole government in the hands of a custodian of his own choosing. It is extraordinary to think that the people could ever have allowed such tyranny; but they did, and suffered accordingly. There was no one in the position of John Philpot or William Walworth who was strong enough to protest, and probably English history has been deprived of several interesting pages as a result, for though these sturdy men of might and courage could and did fight for their King, they were never disposed to accept manifestly unfair treatment from anyone without protest and retaliation.

However, King Richard had matters entirely his own way, and after the mayor and officers had grown tired to death of being locked up, the citizens paid ten times as much as he had demanded in the first instance. He released his prisoners, and probably noted the value of a despotic method for future use.

Then, on the 29th of August, 1393, King Richard proceeded from his palace at Shene into the City, and condescended to lend his presence to these servile hosts who entertained him with a wonderful pageant.

Whether the historian of that day was acting as a press agent and wrote for an awe-inspiring effect on the reader, rather than to convey the real truth, we cannot say, but his description is impressive. The streets were festooned with rich tapestries, and fine silks were draped amidst

sweet-smelling flowers; great crowds thronged the streets; a thousand and twenty young men on horseback walked back and forth keeping order. Then came the civic procession, headed by a custodian appointed by the King and followed by four-and-twenty aldermen, among whom was Whittington. They were decked out in red and white, and were followed by the representatives of several trades, each in his livery. One old chronicler, whose imagination was a trifle vivid, wrote: "None seeing this company could doubt that he saw a troop of angels."

This procession met the gracious King, his Queen, and their escort of nobles in Southwark, and by the time the double procession had reached London Bridge the citizens were so impressed by the wonderful magnanimity of the King that they presented the Queen with a crown and palfrey, and the King with two chargers richly caparisoned.

Wine played freely in the fountains in Chepe, and choristers made "heavenly music" at St. Paul's. From the top of Ludgate "angels" strewed flowers and perfumes on the royal party, and at Temple Bar there was a representation of a forest and a desert full of wild beasts, with John the Baptist in the midst of them leading the Lamb of God. Whether the forests and the wild beasts, and the Lamb of God were intended to symbolize the relations between the King and the City men we do not know, but they were there, because the historian tells us so.

After King Richard and Queen Anne had seen these wonderful sights the whole procession hurried off to Westminster, where the King seated himself on his throne. Then followed a little drama, carefully prearranged of course, with the King and Queen in the leading rôles.

Queen Anne arose and threw herself before the King, beseeching him to pardon the City merchants for their evil deeds. After a sufficient hesitation to give dignity

to the performance, he at last relented and pardoned the wrongdoers, and then spent most of the afternoon in reproving them and instructing them in what they should and should not do.

Whittington saw the whole of this childish show, and must have realized the puerility of the ruler, and the difficulty of bettering matters under his régime. A few weeks later he was chosen sheriff, and in 1397 was named Mayor, but seeming to consider it futile to undertake reforms in municipal matters during the life of King Richard, devoted himself almost entirely to the upbuilding and promotion of trade.

The dignity of trade was increasing rapidly, and probably largely through Whittington's efforts. In 1400 we find his name in the list of great merchants and others who were excused from attendance upon Henry IV.'s Scottish wars, and he seems to have won the respect and confidence of this ruler—by the aid of innumerable loans. In 1406, the year of his second mayoralty, he lent the King £1000, holding as security the customs on hides and wool, though the wealthiest of the nobles contributed not more than £500 to relieve the royal necessity. He was elected to Parliament for the City of London in 1416, and in 1419 was chosen Mayor for the fourth time, thus more than substantiating the legendary prophecy of the Bow bells. During his last year of mayoralty he invited the King, Henry V., to a sumptuous entertainment at the Guildhall. Among the novel features of the evening was a marvellous fire of sweet-smelling woods from the Indies, upon which were sprinkled cinnamon and other costly spices. While his guests were praising this superb fire Whittington caused a cupboard door to be opened, and a great bundle of bonds was taken therefrom and placed in his hands. These bonds amounted in value to £60,000, and would be equal to twenty times that amount to-day. They had been issued by the sovereign during the French wars, and Whittington had diligently bought them up from various merchants and

WHITTINGTON'S HOUSE, HART STREET, CRUTCHED FRIARS

From an engraving by Birrel, after a drawing by Prattent. Executed for Lambert's History of London, 1805

money-lenders, to whom they had been given. All these he flung into the sweet-scented fire. The King, as soon as he realized what had been done, exclaimed, "Never had prince such a subject," to which Whittington hastened to reply, "And never had subject such a prince."

Knighthood followed, almost as a matter of course. The story, which closely coincides with similar tales told of Anthony Fugger and George Heriot, is a charming one; so let us believe it if we can, for though there is no proof, it may nevertheless be true, for we have other definite knowledge of Whittington's extreme liberality.

He built the library of Grey Friars Monastery, and furnished the books. He rebuilt churches, founded a college, and contributed to every good effort throughout the country. He helped the poor, and the sick, and the neediest among his fellow-men. He began to rebuild Newgate Prison, "a most ugly and loathsome prison, so contagious of air that it caused the death of many men," and, dying before the work was done, left money for its completion.

Another of the provisions of his will, extraordinary for his day, was for the paving and glazing of the Guildhall, luxuries which were then almost entirely confined to palaces.

He lived in Crutched Friars in considerable state, and died in the winter of 1423 respected by all and beloved by many. He is reported to have said not long before his death, "The fervent desire and busy intention of a prudent, wise and devout man shall be to cast before and make sure the state and the end of this short life with deeds of mercy and pity, and specially to provide for those miserable persons whom the penury of poverty insulteth, and to whom the power of seeking the necessities of life by art or bodily labour is interdicted."

No one can study the information we possess regarding this remarkable man and not regret its brevity. He gained from commerce money, position, and a life which

he enjoyed. After the fire of young manhood had burned out he devoted himself to acts of kindness. He was a great and good man, and if he did not possess the positiveness and strength of his predecessor Philpot, or the virility of William de la Pole, he had a sweetness and a tenderness of character which, with determination and courage, do much towards making a good man, a true friend and a splendid citizen.

XII

WILLIAM CANYNGE OF BRISTOL

(1399–1475)

OTHER NOTABLE EARLY ENGLISH MERCHANTS

E have read of the de la Poles of Hull, of Philpot, Walworth and Whittington of London, but other cities also in the thirteenth, fourteenth and fifteenth centuries bred men who achieved riches and fame in Commerce. In fact, Commerce was the chief and almost the only medium through which the wealth of the nation was acquired.

Bristol had become an important trading city, and even in the twelfth century, according to William of Malmesbury, "it was a very celebrated town, in which was a port, the resort of ships coming from Ireland, Norway and other countries beyond the sea, lest a region so blest with native riches should be deprived of the benefits of foreign merchandise."

About the year 1400 Henry IV. issued to Bristol a charter which ran, "Considering the many and notable services which very many merchants, burgesses of our town of Bristol, have done for us and our famous progenitors with their ships and voyages at their own great charges and expense, we have granted that the said town shall be forever free from the jurisdiction of our Admiralty." As far as we can discover no compliments of this kind were paid by any of the sovereigns of those days without a *quid pro quo*, so we can only wonder as to the amount of the "loan" exacted.

But even with this special privilege Bristol did not make any great progress for many years. Winchester and Totnes in the south were much more favoured by merchants; Hull and Boston in the north showed more progress. But we can quite understand the reason for its backwardness, if the action of the civic authorities in the case of Thomas Blanket is in the least typical. Blanket was a merchant of Bristol, but because he and his associates "caused various machines for weaving and making woollen cloths to be set up in their houses," and because they employed men to work these machines, they were in 1340 actually subjected to a fine. Edward II., however, remitted the fine, and then the people of Bristol began to realize what this merchant's enterprise meant to their city. Blanket and his brothers became rich. In 1342 Thomas was appointed Bailiff of Bristol, and in 1356 was summoned to Westminster, to advise with the King on matters of importance in connection with the trade of the country. It was because of his enterprise largely that Bristol became a cloth-producing centre. His was the most notable name in the history of Bristol before Cabot's discovery of America; but we may also find during his lifetime some slight reference to a William Canynge, or Canning, who was the forerunner of a family of great merchants.

Canynge's grandson Thomas became a man of some importance. He was at one time a sheriff of London, then a member of Parliament, later Mayor of London, and Master of the Grocers' Company; but he was far surpassed in fame by his younger brother, who was known as William Canynge the Younger, to distinguish him from his grandfather.

William was born in 1399 or 1400, and became something of a power when about twenty-five years of age, for then it was that he and others succeeded in transferring to Bristol the control of the fish trade of the west coast. But the Governments of the various interested countries could not let things alone, and

BRISTOL IN 1576

From a line engraving in the possession of the Author

Denmark felt called upon to interfere. Henry VI. was an infant, and his ill-advised councillors hastened to submit to the Danish demands. A treaty was written and signed by which the merchants of Bristol, as well as those of London, Norfolk, Suffolk, Lincoln, York, Hull and Newcastle were forbidden to trade with Iceland, Finland or other of the King of Denmark's possessions.

In this treaty seemed to lie a chance for William Canynge to secure a monopoly. He bought it by cancelling a debt due to him from the Danish subjects of Iceland, and consequently was permitted by the Danish King " to lade certain English ships with merchandise for those prohibited places, and there to take fish and other goods in return."

This special royal permit, however, was not obtained till 1450, when Canynge had long been one of the largest shipowners of the district. By 1460, after ten years of exercising his monopoly, he is said to have employed about 800 mariners in the navigation of ten vessels. One of his ships was of 900 tons burden, another of 500, and another of 400, and the cost of his fleet was 4000 marks—in these times equivalent to anything between £30,000 and £50,000.

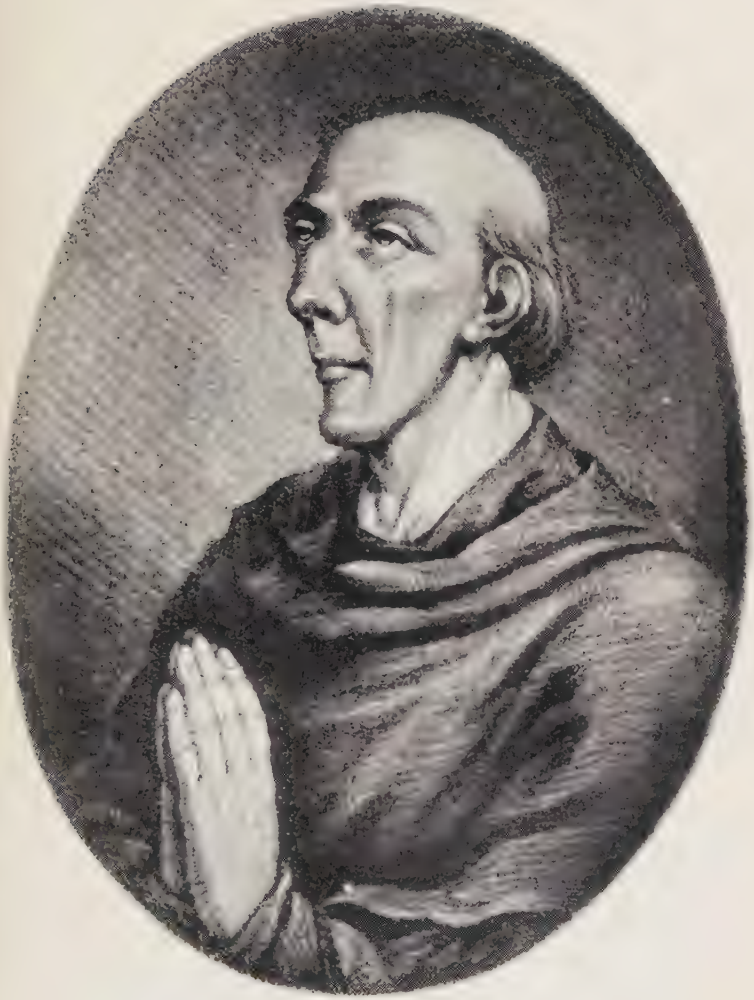
Canynge had begun to trade with German ports in 1449, thus entering a field heretofore almost entirely held by Flemish merchants. We read that King Henry, probably for a handsome consideration, caused letters to be addressed to the Master-General of Prussia and the magistrates of Dantzig inviting their favour toward certain English factors who were located within their jurisdictions, and especially toward William Canynge " his beloved and eminent merchant of Bristol."

As an indication of the position of Bristol among the ports of England, it is interesting to note that in 1451, owing to the troublous conditions existing on the sea, Parliament decided to raise £1000 for the creation of a fleet " for the protection of trade," and this amount was

apportioned among the seaports as follows: from London £300, Bristol £150, Southampton £100, York and Hull together £100, Norwich and Yarmouth £100, Ipswich, Colchester and Maldon £100, and from Lynn, Salisbury, Poole and Weymouth £50 each, Boston £30, and Newcastle-on-Tyne £20. These are the figures given by the chronicler of the day; but as their total is £1100, instead of £1000, we can only surmise that the extra £100 was either used to defray the expenses of collecting or, as is more likely if the figures given are correct, found its way into the pocket of the King.

In 1456 Canynge was elected Mayor of Bristol for the third time, and during this year entertained Margaret of Anjou, who came to Bristol to gain the greater interest of the West country for her husband. In 1461, while serving his fourth term as mayor, he had the expensive privilege (doubly expensive as it proved) of entertaining the new King, Edward IV. The people honoured the King with pageants and processions, and all the childish and fantastic pomp of the time, but Edward had made the journey for something more substantial and caused it to be known fairly early in the proceedings that while pageants and compliments were all very well in their way, what he really wanted was hard cash.

King Edward's host was the wealthiest man of the West, and at the same time was known to have been a staunch and loyal friend of the Lancastrian cause. That he entertained the King instead of being put to death as a traitor was probably due to his money-making capacity, for it would have been folly to kill the goose that laid the golden eggs, and Edward, even at nineteen, was a singularly astute young man. He was, therefore, heavily assessed at 3000 marks, or what would now be £25,000 to £35,000; "this," as the historian quaintly observes, "for the making of his peace." It speaks well for the recuperative power of his trade that within a few years of being thus heavily mulcted, he was again very wealthy and in a position to found several charities.



WILLIAM CANYNGE (1399–1474)

From a mezzotint in the British Museum engraved by J. Jehner in 178.

But he had grown tired of supplying the Yorkist King with money whenever he wanted it. Edward thought to circumvent him by finding him a second wife—he had been a widower since 1460—and would no doubt have expected a round sum for his services as broker. But at this appalling prospect Canynge's nerve seems to have forsaken him, and he hastened to put himself out of Edward's way by taking holy orders. In the following year he was made priest, and in 1468 Dean of Westbury. He died in November, 1475.

As Canynge was only one of a number of rich merchants, Edward IV. must have looked upon Bristol as one of his principle sources of supply. A fine old example of West-Country pluck and perseverance existed in Robert Sturmey, who lived in princely style, and entertained all the visiting great merchants. He was chiefly interested in trading with the Levant, and occasionally added to the romance of his occupation as a merchant-adventurer by excursions to Jerusalem in the name of religion.

On one occasion he took with him a boat-load of one hundred and sixty pilgrims, but hoped to meet the expenses of the affair by filling the hold of his good ship *Anne* with such articles as he thought likely to extract the ready money of the people of the sacred city. The end of the trip, however, was disastrous, for this keen trader was shipwrecked near Navarino on the coast of Greece, and though he himself was saved, thirty-seven of his party were drowned.

On another occasion, in 1458, we read, "as the fame ran that he had gotten some green pepper and other spices to have set and sown in England, therefore the Genoese waited him upon the sea and spoiled his ship and another." Sturmey, who preferred a fairer competition, complained to his Government at home, and the result was that the Genoese merchants living in London were arrested and imprisoned until they saw their way to pay compensation estimated at 9000 marks, the full value indeed of the lost property.

Such was life in the fifteenth century.

XIII

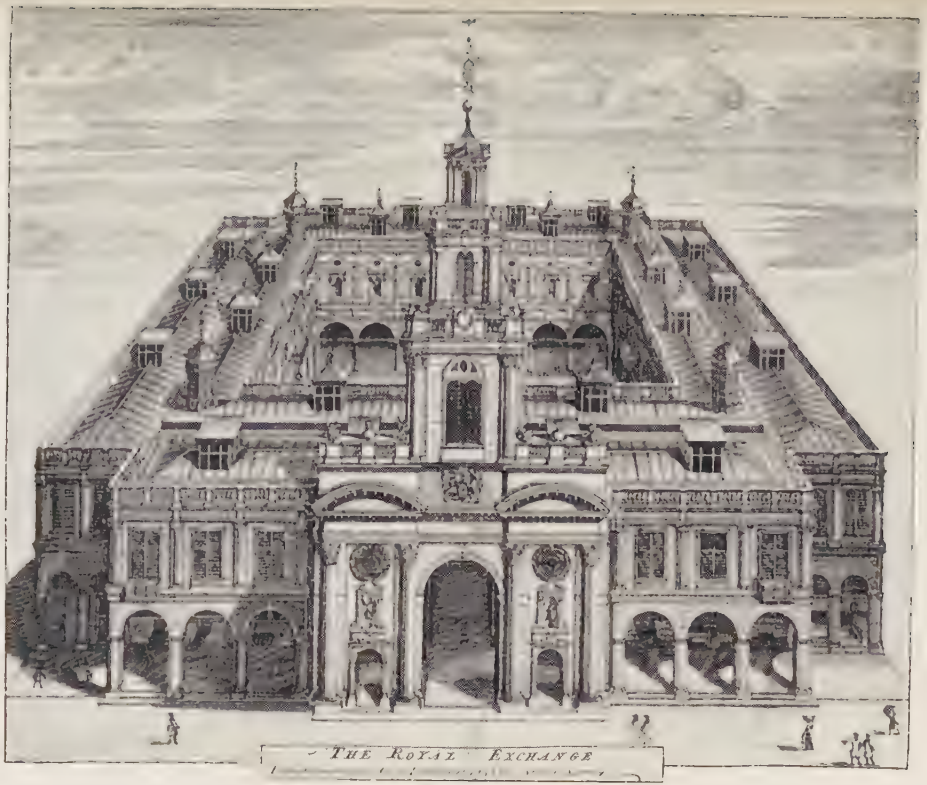
TRADE AND THE TUDORS

ENRY VII. became King in 1485, and in another few years Columbus returned to Europe to announce his great discovery. Both events enormously affected the commerce of England.

For many years before Henry's accession political wars had caused trade to languish, and almost with the retirement of Canynge began a period of depression, during which the name of no great merchant-adventurer stands out conspicuously. The Wars of the Roses had done much to bring the supremacy of the barons to an end, and in its place was to arise the supremacy of the great towns, or in other words the supremacy of the merchants and manufacturers who made the wealth of the towns.

With Henry's reign, then, commerce began to revive. This ruler, whose faults overbalance his virtues, was at least wise enough to learn from history that a progressive country must have a progressive commerce, and that active trade meant a richer state. He therefore did his utmost to foster the greatest wealth-producing power which England contained—her unconquerable inclination to trade with the other peoples of the earth.

A contemporary and enthusiastic historian of Henry VII. says: "This good prince by his high policy marvellously enriched his realm and himself and left his subjects in high wealth and prosperity, as is apparent by the great abundance of gold and silver yearly brought in to the



AS ORIGINALLY BUILT BY SIR THOMAS GRESHAM

From a print in possession of the Author

realm by merchants passing and repassing, to whom the King, of his own goods, lent money largely, without any gain or profit, to the intent that merchandise, being of all crafts the chief art, and to all men both most profitable and necessary, might be the more plentifully used, haunted and employed in his realm and dominion." It is a little difficult to read this long sentence without taking breath, and equally difficult to believe that so niggardly a king ever lent anyone anything, at all events without obtaining full interest for it. But there is no doubt that he did leave the country much richer than he found it, and this because he fostered commerce so excellently. There were more matters to be adjusted and corrected, however, than could be made right in one reign, and Henry VIII. was fortunately minded to continue his father's good work. If he did not encourage so much as Henry VII. had done the very expensive and doubtful voyages of discovery, it was because he felt that his country could be best served by steady trade with such places as had already proved profitable sources of supply. This was a wise course from the standpoint of the country no doubt, but one from which certain adventurous spirits departed, more to their fame than profit.

This very arbitrary ruler also granted charters, licences, immunities and the like, but his greatest contribution toward developing trade lay in his efforts to strengthen the English Navy. From time immemorial, the English had been a seafaring people. Alfred the Great set an example to future kings by trying to improve the shipping of his time, and each succeeding ruler had done little or much to encourage this branch of industry; but the credit of being the creator of England's maritime greatness belongs to Henry VIII.

Yet for many years after this, the Navy depended more upon merchant vessels in time of wars than upon the actual men-of-war in the possession of the Government, and when called upon for aid each city prided itself on

"doing its duty" to its country and its King. Queen Elizabeth put her trust in private enterprise, and considered an annual naval estimate of £4000 as excessive, and when the Spanish Armada threatened England her Navy consisted of only thirty-seven ships and fourteen more hired by her for this special work of defence; but the actual fleet with which Drake met the Spanish admiral numbered one hundred and forty-three vessels. Of these London was asked for ten, and her merchants proudly sent thirty, all completely manned, provisioned and supplied with ammunition. Bristol sent three and a tender, Barnstaple "three merchant ships converted into frigates," Exeter two and "a stout pinnace," Plymouth "seven stout ships in every way equal to the Queen's men-of-war, and a fly boat." We see, therefore, that commerce not only filled the strong-boxes of the people and the Government with gold, but in time of war turned her peaceful merchant ships into fighting ships of line, and assumed the royal privilege of defenders of the country.

Among the most notable and the most famous of the merchants of England during this sixteenth century were the Greshams, of whom Thomas was the greatest merchant prince of them all.

Norfolk was the home of the first Gresham of whom we hear. John Gresham, gentleman, of Gresham, lived in that county in the latter part of the fourteenth century and possessed apparently a fair fortune which he had inherited. His son James was a lawyer, and spent much of his time in London. He removed the family seat from Gresham to a place called Holt, about four miles from the sea on the Norfolk coast. This new estate was in the neighbourhood of busy towns frequented by traders from Flanders, and he no doubt acquired a certain taste for trade from this association. At all events during the latter years of his life he seems to have been a merchant in a small way.

His son married a rich wife, but we know nothing more of him than that his four sons were all brought up to trade in preference to any other career.

Of the eldest, William, we have not much information. He was a mercer and merchant-adventurer and a freeman of the Mercers' Company. In 1533 he was appointed Governor of the English merchants living in Antwerp. He died in 1548 and was buried in Soper Lane, now Queen Street.

The next brother, Thomas, became a merchant, and selected certain towns on the Mediterranean as his points for trade. He could not have been made of very brave stuff, for he was so frightened one night by a ghost which he saw, or thought he saw, on one of the islands that he threw over the adventurous life of a merchant and trader and became a priest. In 1515 Henry VIII. presented him with a living in Norwich, and he was afterwards made a Prebendary of Winchester, and died shortly before Queen Mary.

The two younger brothers of this Thomas were Richard and John, and both were important men. Richard became a freeman of the Mercers' Company in 1507, and John in 1517, and both were knighted.

Richard, a personal friend of Cardinal Wolsey, became early associated with the King and Court, and occupied several offices. Among others he acted as financial agent on several occasions for Henry, and travelled in this capacity in the Netherlands, France and Germany. He longed to see the Bourse, which had been recently established at Antwerp, duplicated in London, and worked for the creation of an exchange; but his efforts were fruitless in direct accomplishment, except in so far as they influenced his son, through whom the exchange was later to become an accomplished fact. In 1531 he was elected sheriff of the City of London, and in 1537 we find him as Lord Mayor petitioning the King that certain hospitals might be restored to their first design " for the aid and comfort of the poor, sick, blind,

aged and impotent persons, being not able to help themselves, nor having no place certain where they may be refreshed or lodged at till they be holpen and cured of their diseases and sickness." In other ways Sir Richard proved his worth, and his interest in public affairs, and on his death in 1549 he was accounted one of the broadest-minded and best informed of men, and one of the richest of the London merchants of his generation.

His youngest brother John became even richer, and seems to have been a man of much the same calibre as Richard. It was to him that London owed the transfer of Bethlehem Hospital from Roman to Protestant hands, which the people seemed to think much to its advantage. Perhaps the fact that he was then sheriff assisted him not a little in turning one sect out and another in. His wealth was sufficiently great in 1546 to allow him to lend the Crown £40,000 (and, as we know, this would be the equivalent of perhaps £1,000,000 now). He entertained King Henry and the wife he had recently married, Jane Seymour, by elaborate and very expensive pageants, when minstrels and morris dancers wandered through nearly every street in London.

Sir John died in 1556, and by this time the name of Gresham had stamped itself indelibly on the records of the City of London; but the greatest of the family, and one of the four or five greatest merchants in English history, was still to become famous.

Sir Richard had had two sons. The elder, Sir John Gresham, became a merchant and a soldier. He had his share of shipwrecks and other perilous experiences, and died in 1560 at the age of forty-two years. It was the second son, Thomas Gresham, born in Norfolk in 1519, who won the greatest fame, wealth and position of all this notable line.

His father, Sir Richard, had fortunately realized what so few men of means nowadays appreciate, and insisted that his son should have a good training—good, hard, even severe—and it is probably due to the fact that he

SIR THOMAS GRESHAM

By Antonis Moro

and other great men of business did not follow the Court's method of pampering their sons and letting them grow to manhood in idleness that we are able to read of one after another who came into the arena ready for the hard work which always did and always will accompany success.

Thomas was first sent to Gonville, now Caius College, Cambridge, where his time was well filled under the personal instruction of Dr. Caius, one of the founders. But when college days were over—and with Thomas they ended when he was sixteen years old—he was apprenticed to his Uncle John. In 1543, at the age of twenty-four, he was admitted to the freedom of the Mercers' Company, and from this date may be said to have started on the career of merchant-adventurer. He was proud of his severe training, and later in life wrote to the Duke of Northumberland: "I myself was bound 'prentice eight years, to come by the experience and knowledge that I have. Nevertheless I need not have been 'prentice for that I was free by my father's copy."

Thomas seems to have gone almost at once to Antwerp, coupling with his business or profession of merchant-adventurer the duties of acting for the Crown in many of its difficult transactions. He bought supplies for the army and became one of the financial agents of Henry VIII. It must be remembered that Antwerp at this time had displaced Bruges, as the first commercial centre of Northern Europe. Here gathered the great merchants from Venice, Augsburg, and other wealthy cities, and here loans were made, interest collected and merchandise exchanged. The debts of the English King had become a serious matter. We learn that about 1550 the annual interest due from Edward VI. was £40,000, an enormous amount in those days. Usury was considered entirely legitimate, and when a king wanted money and could not get it from his own people he paid to the money-lenders of Europe whatever they chose to ask. For example, in 1551 an arrangement was made between

Edward and the rich Fuggers of Augsburg, whereby a loan of £60,000 due to the Fuggers was renewed on these somewhat severe terms: that ten per cent should be added to the loan; that Edward should buy 12,000 marks' weight of silver at six shillings an ounce; and thirdly, that he should purchase for 100,000 crowns "a very fair jewel, four rubies marvellous big, one Orient and great diamond, and one great pearl." The bankers evidently made the most out of young Edward's inability to pay, and these jewels probably form to-day a part of that magnificent collection of Crown jewels which are shown in the Tower of London. What delightful interest, what fascinating charm would surround these jewels if we could know their intimate history! Nearly everyone would be wrapped around with a romance surpassing the wildest imagination of the story writers. All of them probably bore their share in the adventures of the great merchants of those old times; and as the rare and beautiful orchids which we at our ease examine to-day in collector's hands have been searched for and found by fearless hunters amidst all the dangers which exist in the inaccessible swamps of the tropics, often at the cost of health or life itself, so these jewels have often been the cause of plots and bloodshed, of great robberies, of pain and of disgrace.

Edward VI., or his council, felt the need of better and keener representation in Antwerp. It was all very well to borrow and to put off the lenders, but when it came to having jewels forced on him at prices far above their value, even he turned. At any rate Thomas Gresham, then about thirty-two years of age, was appointed the King's factor.

It is no agreeable duty to be forced continually to seek the money-lender as a borrower and never as a payer, and Gresham was too good a financier not to accept the bankers' maxim that "there is a time for paying as well as a time for borrowing," but his instructions were always to procure further supplies, and by a liberal use

ANTWERP IN 1580

From an engraving in the British Museum

of soft words and ostentatious concessions to postpone the payment of loans already effected. The task was most unpleasant, and we find him addressing a bold note to the then Chief Adviser to the Crown, the infamous Duke of Northumberland, in which he said he was tired of putting their creditors off, and unless some way could be found at home which would permit him to carry out the Crown's promises, he would prefer to be relieved of the office. He suggested that a certain sum should be put aside each week and sent to him to be used in paying off the debts as they became due, so that in two years the King would be out of debt.

If the King's Council did not relish such advice from their factor they could but admit its wisdom, and concluded to follow it, and for eight weeks £1200 was sent every seventh day to Gresham. Then the remittances ceased, and instead came complaints that "the manner of exchange was not favourable to the King's subjects," but Gresham kept to his point. He urged public retrenchment, and suggested other methods of providing the necessary funds. He adopted very rigorous ways of controlling the rate of exchange, so much so in fact that, as he tells us, "My uncle, Sir John Gresham, hath not a little stormed with me for the setting of the price of the exchange, and saith that it lies in me now to do the merchants of this realm pleasure, to the increase of my poor name among the merchants for ever." But Thomas would not be turned from his purpose, and by his far-sighted and patriotic conduct did much to give his name the glory which has made it luminous throughout the succeeding years.

While Gresham was accomplishing so much to establish his country's credit, one little act seems to have won the gratitude of the King to a degree far exceeding its importance. He presented his sovereign with a pair of long Spanish silk stockings, and in the June of that year, 1553, Edward's appreciation of this gift was shown by his bestowal on Gresham of lands worth £100 a year,

saying as he handed him the charter, "You shall know that you have served a King."

But three weeks later Edward died, to be succeeded by Mary, and soon after her accession Gresham was called upon again to find money for the ever empty pocket. No increase of taxes could be made at home, and open borrowing in foreign centres was almost impossible, not because of poor credit, for Gresham had built up England's credit by his business-like methods, but because of the jealousies and the unfriendly feelings existing between the nations.

Gresham had no difficulty in secretly negotiating the £50,000 loan in Antwerp, but his problem lay in getting the money out of the Low Countries and into England unknown to the authorities, who would have raised serious objections to such a loss of cash. The coin supplied was chiefly in Spanish reals of silver, "very massive to convey."

To the mighty merchants of those days, however, to desire was practically to accomplish, and to Gresham such details existed only to be overcome. He contrived to make a consignment to England labelled as "one hundred demi-lances' harnass," packed in large vats with £3000 in each vat. On the day of shipment he seems to have felt that the end justified the means, and presented the Custom House officers and inspectors with handsome presents; and what, under the circumstances, was much more to the point, treated them to large quantities of liquor. As a result the town gates were left unguarded and the money was safely smuggled over to Queen Mary. For this rather shady piece of work he received a State document announcing the worth of Her Majesty's "trusty and well-beloved servant, Thomas Gresham, Esquire."

When Mary was succeeded by Elizabeth, Gresham speedily won the new Queen's confidence, as well he might, and we find him writing her at length, detailing the unfortunate financial position of England in the

rich capital of Antwerp, and further, informing her how these conditions could be changed.

His shrewd advice in peace and in war was followed (save when he counselled the unpalatable course of marriage), and as a result the English merchants began at last to compete with their neighbours on equal terms and to excel them both at home and abroad. "When Queen Elizabeth ascended the throne the commercial centre of the world was Antwerp; when she died the commercial centre of the world was London."[1]

But Gresham's life was by no means all spent in a city that was beginning to take second place. From 1560 or thereabouts, he had left most of the detail of the Antwerp office to Richard Clough, his manager, and had himself devoted more time to his business in Lombard Street; and after the great Catholic victory of Jarnac he found it prudent to abandon his position in Antwerp altogether, hastening to England for safety, and followed speedily by the trusty Clough. Thus ended his twenty full years as Factor of the Crown in the Flemish city.

In London, Gresham found full scope for his commercial ability. He was a merchant and he was a banker. He dealt in every variety of goods. He was an importer, an exporter, a shipowner and a money-lender. He had agents all over England and the Continent. He became rich and respected, and as he grew in importance himself, rejoiced to see the capital of his country growing steadily in wealth and dignity. Not many years later, Duke Frederick of Wurtemberg on his first visit to London was to describe it as "a large, excellent and mighty city of business and the most important in the whole kingdom. Most of the inhabitants are employed in buying and selling merchandise and in trading in almost every corner of the world, since the river is most useful and convenient for the purpose, considering that ships from France, the Netherlands, Sweden, Denmark, Hamburg and other

[1] Sir Walter Besant.

kingdoms come almost up to the city, to which they convey goods, receiving and taking away others in exchange."

Gresham, however, comparing London with the Continental capitals of his acquaintance, found one great fault with it. There was no proper meeting-place or merchants' exchange where merchants could meet and trade instead of "walking in the rain when it raineth, more like pedlars than merchants."

It will be remembered that his father had advocated such an institution twenty years before, but had failed to enlist public opinion and support, and the matter had been allowed to drop. Thomas Gresham determined to devote his efforts to the building of such an edifice.

He took the matter up earnestly in 1562, and in what seems to us a very long time, namely, three years, he had convinced his fellow-merchants of their need and gained their co-operation.

By the autumn of 1566, seven hundred and fifty business men had subscribed about £4000, and this sum sufficed to buy the ground; while its enthusiastic endorser and sponsor, Gresham, announced that he would meet the cost of the building from his own purse. The chronicler Stow tells us that Gresham "On the 7th of June, laying the first stone of the foundation, being brick, accompanied with some aldermen, every one of them laid a piece of gold, which the workmen took up, and forthwith followed upon the same with such diligence that by the month of November, in the year 1567, the same was covered with slate."

The stone came from one of Gresham's estates in Norfolk, the wood from another in Suffolk, and the slates, ironwork, wainscoting and glass were sent from Antwerp by Richard Clough. The building, which was destroyed in the Great Fire of London, is described as being "noble, with ample walks and rooms for merchants in the basement, and a hundred shops or booths above stairs for retail dealers." It was completed in the summer of 1569,

and formally opened in January, 1571, by the Queen's Majesty, attended by her suite. We read that she came from her house at the Strand called Somerset House and entered the City by Temple Bar, through Fleet Street, and after dinner at Gresham's house in Bishopsgate Street, entered the Bourse on the south side, and " after that she viewed every part thereof above the ground, especially the Pawn (the upper part with its hundred shops), which was richly furnished with all sorts of the finest wares in the City, she caused the same Bourse by an herald and trumpet to be proclaimed the Royal Exchange and so to be called from thenceforth, and not otherwise."[1]

Sir Thomas Gresham, who had now been knighted for some years, also built for himself a fine residence in Bishopsgate Street, and either built or adapted several mansions in the country. One of these was Osterley House, where he received a visit from Queen Elizabeth in 1570, upon which occasion we are informed that " Her Majesty found fault with the court of the house as too great, affirming that it would appear more handsome if divided with a wall in the middle." Whether the rich adventurer-merchant agreed with his Queen upon this point or not is immaterial; at all events he proved himself as chivalrous as Sir Walter Raleigh, but at a much greater cost, for he arranged for workmen to be brought quickly from London, and they, as soon as all his guests had retired, speedily and silently constructed the suggested wall, so that the Queen and other guests on assembling the next morning were greatly surprised to see Her Majesty's thought already carried out. Many were the congratulations upon this charming exhibition of tact, but some, it is said, knowing that Sir Thomas and his wife were not entirely congenial, hinted that " any house is easier divided than united."

We hear but little more of this great merchant, who died suddenly in 1579. He had accomplished his aim.

[1] Stow's *Survey*.

He had done much to elevate English commerce to a high place in the world's eyes. It was on a far larger scale and a more dignified plane than it had ever been before, and owed much of its wonderful progress to his energy, integrity and acute business instinct. Nor was the Royal Exchange the only building that London owed to his enterprise, for he built and endowed a college called after him Gresham College, where the Royal Society was wont to hold its meetings. "Divers other worthy Works were done by that most Noble Citizen, Sir *Tho. Gresham*," says John Chamberlayne, "as can testifie his Alms-Houses in *Broadstreet;* the considerable Sums of Money distributed quarterly for ever to 5 Prisons and 4 Hospitals, in and about this City."

Queen Elizabeth's reign was blest with many who have left great names in history, but of the financiers and the merchant princes none stands higher than her adviser on matters of finance, Sir Thomas Gresham. His judgment was always excellent, his instincts and intuitions sound; his mind was that of a far-seeing, wise man, who viewed matters of moment from a standpoint so high as not to be confused and befogged by petty issues. The world was his province, and he was not to be bounded or governed by merely local prejudice.

The story of his life proves yet once more that a career of great commercial activity offers opportunity, as hardly any other career can do, for interest, excitement, the joys of accomplishment, and the fascinating glamour of romance.

XIV

WILLIAM AND SIR JOHN HAWKINS OF PLYMOUTH

c. 1520–1600

HILE William and John Hawkins cannot be included in the list of great English merchants, a few lines concerning their romantic careers may not be out of place here, especially as they reflect something of the adventurous spirit of the sixteenth century.

William Hawkins hailed from Plymouth. His father before him had been a sailor who looked to foreign ports for trade. We first hear of William about 1530, when he sailed for Brazil, and, stopping on the coast of Guinea, traded for elephants' tusks and other articles of commerce with the negroes; then crossing the Atlantic disposed of them again to the natives of Brazil. He won the confidence of the dusky-skinned people so thoroughly that he succeeded in inducing one of the savage kings to sail back with him to England, where he remained for nearly a year. To Henry VIII. and his Court at Whitehall this product of the western hemisphere proved a great curiosity, and the interest was presumably mutual.

According to his promise, however, Hawkins sailed with his king again for the West, but most unfortunately sea sickness, which must have been much worse then than it is now, attacked his guest with such violence that he died during the voyage and was thus unable to impress

his fellow-countrymen with the story of all the fine sights of London.

Of William Hawkins we hear no more, except that he left two sons, who in their turn became sailors and traders, but after the custom of other nations of the time took to slave-trading as the most profitable form of investment which presented itself.

The best known of these sons, afterwards Sir John Hawkins, had good company in this commerce which we now consider so reprehensible, for, after a little experience of its profits, he succeeded in enlisting the co-operation of Lord Robert Dudley, afterwards the famous Earl of Leicester, the Earl of Pembroke, and others, who subscribed £500 with which to charter the *Jesus of Lubeck*, one of the stoutest and largest ships of Queen Elizabeth's service, as well as four smaller vessels, manned by about two hundred men in all. The crews were subject to certain rules, among them, "Serve God daily; love one another; preserve your victuals; beware of fire; and seek good company."

It is not necessary to follow their expedition in detail. They did what all slave-traders did. They landed where they chose, burned the villages and carried away the blacks until their ships' holds were full; then sailed for the West Indies, where the slaves were sold.

This round was repeated as often as the slave-trader felt disposed. The great Drake himself, who, as one account has it, was related to Hawkins, accompanied his kinsman on at least one of his slave-trading expeditions, and shared in the results, which in this instance were losses.

But Hawkins seems soon to have had enough of it, and changed his profession from that of slave-trader to that of the buccaneer, with Spain as his particular enemy. Yet while these adventurous spirits carried on a trade which had neither honesty nor decency to recommend it, they nevertheless cut out a path to distant countries which was afterward travelled by English merchants in

Harding sc

Sr. JOHN HAWKINS

legitimate commerce. We read, for example, that while returning from a filibustering expedition against Cadiz Drake fell in with a huge Portuguese trading vessel from the East Indies. Hakluyt writes: "It is to be noted that the taking of this carrack wrought two extraordinary effects in England—first, that it taught others that carracks were no such bugs that they might not be taken, presumably with ease; and secondly, in acquainting the English nation more generally with the particularities of the exceeding riches and wealth of the East Indies, whereby themselves and their neighbours of Holland have been encouraged, being men as skilful in navigation and of no less courage than the Portugals, to share with them therein."

And Stow says of this capture: "By the papers found on board, they so fully understood the rich value of the Indian merchandises and their manner of trading into the Eastern world that they afterwards set up a gainful trade and traffic, and established a company of East India merchants."

John Hawkins was a man of progress. He spent little time at Plymouth, but, as a sailor grown famous for his exploits, an inveterate hater of Spain and a man of unquestioned nerve and daring, he was regularly employed by Queen Elizabeth in as open a warfare with Spain as she felt wise. In February, 1572, he was one of those few commanders who were instructed to clear the British seas of pirates and freebooters, which meant in other words to attack any Spanish vessels that were to be found near the English coast. In 1577 he became Treasurer of the Navy and did splendid service in the manifold duties of his office, especially in the building of new ships and equipping, victualling and manning old ones.

His training as a merchant stood him well in this work, for the best training any man can have for any responsible duty, except the detail work connected with any particular profession, is that received in the broad

channel of commerce; and if the Governments of the world were only conducted on the principles which this great science, the science of business, teaches, can anyone doubt that States would be more intelligently and satisfactorily managed than they are.

Hawkins was Rear-Admiral of the wondertul little fleet which annihilated the Spanish Armada and filled so many pages of history with its gallant work, and his exultant joy at the regret and sorrow which he helped that day to bring to his inveterate enemy, Spain, was crowned with the gratitude of his Queen, who gave him a knighthood for his services.

After the battle, the debts incurred by this great undertaking had to be paid, and to Hawkins, the merchant-sailor-soldier, was handed over the difficult duty of paying off the many large sums incurred. To badger Lord Burghley for money was a thankless task, yet during those troublous days Hawkins declared that if only God would help him to end the matter to Her Majesty's liking, "then he would have all."

In less than a year from that time, however, and before the debts were fully cleared, we find this inveterate fighter submitting to the Queen a further and new "device for annoying the Spaniards," in which, as he said, as he personally was out of debt and had no children, he could end his life as agreeably as in any other manner. He proposed to take the best of the fleet and boldly attack Cadiz, which had supplanted Venice as the greatest shipping centre of the world, and capture the rich galleys wintering in her harbour. His suggestion was not acted upon, and in his chagrin and disappointment he asked to be relieved of his post as Treasurer of the Navy.

The Queen gave him a scolding, but had no idea of parting with so good a servant, and to pacify him gave him command of six ships with permission to worry the Spaniards, and, if possible, to replenish her exchequer by capturing everything which he could lay his hands upon.

If he enjoyed the excursion into the enemy's waters he was unsuccessful in capturing prizes, and on apologizing to the red-haired Queen, dropped into language which she had no relish for. He said, "Paul might plant, and Apollos might water, but it was only God who gave the increase." To which the Queen answered with the vigour for which she was famous, "God's death: this fool went out as a soldier and is come home a divine." Yet this is not the only instance in which a fair lady has lost patience at the absence of expected funds.

Hawkins continued as a sailor to the end of his life, and the same expedition proved fatal both to him and to Sir Francis Drake. The world was fast becoming England's market, and this little island country had taken on the metropolitanism of Venice, of Augsburg, and of Antwerp, and sent her ships boldly to every known corner of the globe. Her commerce had spread its sails, and established itself wherever men could be found with whom to trade.

Yet the conditions of commerce were such that the merchant of this period was obliged to be a soldier too. He sailed with his sword in his hand, and was ready to defend himself and his country. And the English Navy, small as it then was, found her ablest hands amongst those who had been sailors in a merchant service, and from the list of what were then the captains of industry, drew the men who became her most famous admirals.

XV

GEORGE HERIOT

1563–1624

COTLAND has furnished the world with its full share of merchants and men of business. Go where you will, into the great cities or far afield to the out-of-the-way corners of the earth, there the thrifty Scot will be found trading and accumulating this world's goods. He is a hard man to bluff or to worst in an argument, and a competitor who is never wisely ignored.

He is almost always successful, and has a most enviable reputation for integrity, shrewdness and sound common sense. He risks nothing beyond the line of prudence; he is solid in his finance, and it is safe, almost always, to trust a Scotsman.

It is of a Scot that the story is told that he called to his office his son who was about to leave home to seek his fortune. "My son," said he, "of two things would I admonish you. Do right and fear no man. Don't write and fear no woman." His caution is traditional, and makes for a substantial balance to his credit; yet he too possesses the faculty of imagination—and that is indeed indispensable to success—though he hides it so deep below the surface as to make it frequently undiscoverable except in its achievements. But imagination has helped the Scotsman in every part of the globe to win position and wealth, and to no race have the fascination and romance of trade appealed more strongly.

From the Original Picture in Heriot's Hospital, Edinburgh

But this commercial spirit was comparatively slow in developing. The instinct for trade was there, but opportunity was extremely limited. One cannot trade without people, and up to the sixteenth and seventeenth centuries the population of Scotland was very small. It would have been difficult in all probability for any other race, the Jews alone perhaps excepted, to make for that very small country, with its beautiful but barren hills, so delightful a history and so rich a result. For in this northern country, far from the active centres of the south, the Scotch trader was eclipsed by his rivals in London, Hull, Winchester, Bristol and other towns.

Yet Scotland was fortunate in having rulers who realized that a people who are commercially successful are a happy people, and privileges and favours were frequently granted to those who endeavoured to push forward the commerce of the country. From the time of David I. we hear of progress, slow indeed, but very sure. Those who carried wool, hides and fish to foreign towns returned to the north of the Tweed with spices, food products, wines, haberdashery, ironmongery, and such articles of commerce, and against great odds a small trade was built up in Edinburgh, Berwick, Perth, Leith, Stirling, Glasgow and Dumbarton.

Edinburgh received its first charter from Robert Bruce in 1329, fifteen years after the battle of Bannockburn. In 1436 it was recognized as the capital of Scotland, and in 1450 King James II. encouraged its citizens to enclose and fortify the town, and from that time Edinburgh became gradually divided into wards as London had been, with certain portions assigned to each of the various branches of trade.

The energetic King James IV. showed special favours to merchants who traded in foreign countries. Anderson, in his *History of Edinburgh*, tells us that " they were encouraged to extend their trading voyages, to purchase foreign ships of war, to import cannon, and to superintend the building of ships-of-war at home. In these

cases the monarch not only took an interest, but studied the subject with his usual enthusiasm, and personally superintended every detail. He conversed with his mariners, rewarded the most skilful and assiduous by presents, visited familiarly at the houses of his principal merchants and sea officers, and delighted in embarking on short voyages of experiment, in which he became acquainted with the practical parts of navigation. The consequences of such conduct were highly favourable to him: he became as popular with his sailors as he was beloved by his nobility; his fame was carried by them to foreign countries; shipwrights, cannon-founders, and foreign artisans of every description flocked to his Court from France, Italy and the Low Countries."

His efforts made Edinburgh more and more attractive, and enterprising men from the outlying districts came to enjoy the advantages which their country's capital offered. Among them was a George Heriot, whose great-great-grandfather James is spoken of as "a confederate" of James I. Our only concern with this George Heriot, however, is that he was the grandfather of the subject of our sketch, George the younger.

This great merchant was born in 1563, married in 1587 a Mistress Christian Marjoribanks who possessed a little fortune of her own, and became a goldsmith with his own booth. He must soon have shown both skill and business ability, for in 1588 he became a member of the Goldsmiths' Company of Edinburgh, and during the same year doubled the size of his booth.

Heriot's business was evidently in a flourishing condition, but his greatest good fortune lay in winning the goodwill and patronage of Anne of Denmark, the Queen of James VI., a customer who proved on many occasions her inability to resist his tempting wares. We can picture him in his little booth—it was only seven feet square—handling the jewels that, wrought in Spain, in Venice, or even in India, and brought by hardy Scottish travellers for hundreds of thousands of miles in small

boats and through unfriendly territories, were to deck the precious persons of the King and Queen of little Scotland, to add to their dignity and gratify their appetite for display.

But the booth was not Heriot's only workshop.

He was made Goldsmith in Ordinary to Her Royal Highness, and a little later Goldsmith to the King as well, with an apartment in Holyrood Palace fitted up for his especial use. The direct fees attached to these offices were insignificant, but his business grew enormously under royal patronage, especially as both the Queen and King were his constant clients. From selling them jewels was a short step to becoming their money-lender. They were poor payers, and Heriot charged long prices. Why, he argued, should he trust these spendthrifts for an unconscionable time and not make them pay for it? And why trust them at all unless he was fully protected? Thus honest George became jeweller, money-lender, and pawnbroker to the Court.

A very charming incident which gives colour to Heriot's all-too-brief biography is similar to that told of Anthony Fugger of Augsburg and Richard Whittington of London, and in each instance we may believe or not as we choose.

One day, so the story goes, Heriot left his official room in Holyrood Palace to seek the King. He found him enjoying the cosy warmth of an open fire of sweet-scented woods from the East. "The fragrance is sweet," said Heriot, to which the King replied, "Aye, and is costly." "And if Your Majesty will but enter my shop I will show you one more costly still," said the merchant. "Indeed and I will," replied King James. They both proceeded to the booth against Saint Giles' Kirk, where James found nothing but a small fire in the goldsmith's forge. "Is this then your fine fire?" he asked scornfully. "Wait a little," replied Heriot, "till I get the fuel." He then opened his strong box and took from it a bond for £2000 which he had lent to the King and

threw it upon the burning coals. "Now, is Your Majesty's fire or mine more costly?" "Yours, most certainly, Master Heriot," acknowledged the monarch; but the usual kingly compliment to the generous subject is on this occasion lacking.

When James became King of England in 1603 and set forth upon his journey south, we find Heriot not only supplying him and his suite with much jewellery for personal adornment, but also with a cart-load of gifts to the English courtiers, whose goodwill had yet to be obtained. Nor was it long before he himself removed to London to be near his royal patron.

Here Heriot, as the King's jeweller and banker or pawnbroker, became an important man. He it was from whom Sir Walter Scott was afterwards to draw the character of Jingling Geordie in *The Fortunes of Nigel*. He shows him as a man of strength of purpose, of goodness of heart, and one who set for his fellows a noble example of manliness and true worth; who "walked through life with a steady pace and an observant eye, neglecting no opportunity of assisting those who were not possessed of the experience necessary for their own guidance." And George Heriot was all this. He died in February, 1624, leaving a large fortune and an honoured name.

Every really great and rich man should try to give to the world some enduring gift as part return for what the world has given him, or rather has made it possible for him to acquire. George Heriot gave much to charity, but his best remembered gift was for the establishment in his own city of Edinburgh of "a Hospital and Seminary for Orphans, for the education, nursing and upbringing of youth, being poor orphans and fatherless children of poor burgesses and freemen of the said Borough, to such competent number as the means and maintenance allowed thereupon are able to afford, where they may have some reasonable allowance for their maintenance of food, lodging and raiment within the said Hospital

EDINBURGH IN 1580

From an engraving in the British Museum

and Seminary, until they attain the age of fifteen, at which time they may be set forth in 'prenticeships to learn some honest trade or occupation, or otherways sent to colleges or universities according to their capacities."

And as Fugger is remembered to-day by the Fuggerei in Augsburg, so this hospital is the finest monument of the great, honest and kind-hearted merchant George Heriot.

XVI

THE MYDDELTONS AND THE EAST INDIA COMPANY

(*c.* 1575–1631)

OTHER GREAT ENGLISH MERCHANTS

THE early historians of London have not been too kind in their treatment of the men who did more than any other class to build up England's great commerce and consequent wealth. The pages they have given to the merchant-adventurers of the sixteenth and seventeenth centuries are far too few, as compared with their deserts.

To the writer of those days, the intrigues and petty happenings of the Court seemed to provide more exciting "copy," because neither the writers nor their readers were familiarly admitted to the inner circles where these incidents were occurring. On the other hand, the lives of the great merchant-princes were an almost open book to the public, of which they were a part, and "A prophet is not without honour . . ." We are obliged, therefore, to be content with condensed sketches of such giants of industry as Sir Lionel Duckett, who was the friend and chief executor of Sir Thomas Gresham. He was a Lord Mayor of London, a miner who set up many furnaces in England, and employed agents in Augsburg, there to melt copper and silver for his profit. He was, too, a manufacturer of cloth, and

one of the master builders of England's commercial strength.

From him we turn to Sir Edward Osborne, dealer in cloth, who, while an apprentice to Sir William Hewitt, jumped into the Thames and saved his rich master's daughter from drowning. He married the daughter, who inherited her father's great fortune, and became Lord Mayor of London. Osborne was an influential member of the Turkey or Levant Company, and if we could follow this great merchant's career in detail we should no doubt find on every page further adventures and romance, such as gave colour to the lives of his compeers.

Between the years 1575 and 1600 there came into existence a company for trading in the further East; but while it seemed from the start to offer great possibilities, it remained an undertaking of small size and of doubtful success for some years. Just as the little tree requires time to develop its tiny roots, and while doing so seems hardly sure of living, so this East India Company gave little evidence at its start of the great future which the originators hoped for it. But its inception was in the hands of men who were ready and were delighted to risk life, fortune and reputation. Caution was hardly one of the first qualities in their make-up. Imagination came much nearer the top of the list, and led these men of iron nerve where later in the history of England caution would have shouted the stern order to halt. We have seen that a lucky capture of a Portuguese trading vessel by sturdy old John Hawkins discovered to him, and thence to his fellow-countrymen, the richness of the trading field in the East Indies, and the manner of trading with those far-away people. This was in 1587, and the fascination of such traffic appealed among others to members of the Myddelton family, who were merchant-adventurers of ability and note. The Myddeltons, or Middletons, originally came from Cheshire, and were of Welsh ancestry.

Legend and family history tell of their adventures as far back as the twelfth century, but with these we are not concerned. A William Myddelton, a friend of Raleigh, was an author and translator, but in those days the call of commerce was strong, and it soon coaxed the young writer from his desk and made him a man of nerve and fortune. He sailed the ocean for two things: to find Spanish ships which he could destroy and thus punish the enemy he hated, and to carry rich goods to distant ports for the purposes of trade. It is said that in his later days, when he had become too old for a life of this kind and had settled comfortably in London, he and some of his old friends were often pleased to gather open-mouthed crowds around their chairs set under the trees, who watched them going through the strange new process of smoking tobacco.

William had brothers who were as successful as himself—Thomas, Robert and Hugh; and Thomas and Robert especially were active in organizing the East India Company. It seems that in 1599 about one hundred merchants subscribed a huge sum, £30,133 6s. 8d., for the purpose of trading under this name, but it took them an entire year to obtain the consent of Queen Elizabeth to their enterprise. With her Charter at last in hand matters went quickly ahead, and in the spring of 1601 five ships under the command of Captain Lancaster were ready to embark, and of one of them Henry Middleton "of Cheshire" had charge.

This Henry Middleton was probably one of the family with whom we are concerned, though we are not definitely so informed. He was a man in whom the managers of the Company placed confidence, and he was second in command, with authority to succeed to the first place in case of Captain Lancaster's death.

This little fleet of five small ships sailed from Torbay on May 2nd, 1601, and first dropped anchor in the harbour of Acheem, the chief port of Sumatra, and then and there formed an alliance with the king of the island,

INDIA HOUSE

THE SALE ROOM

From an aquatint by Stadler after a drawing by Rowlandson and Pugin, published by Ackermann in 1808

who in his enthusiasm, or, as is more likely, under the gentle pressure of the fleet, wrote to Queen Elizabeth telling her how "the coming of the English had filled the horizon with joy." Perhaps the dusky king really felt pleased at the arrival of the fleet in his harbour, for his people brought their pepper and other spices which the island supplied and sold them in great quantities to the English. Further good fortune smiled on Captain Lancaster, for an unlucky Portuguese vessel of large size and rich cargo fell into their hands, and this booty, added to the spices, gave them all their tiny boats could carry. They stopped at Java, and at its capital town, Bantam, traded what they had for what they wanted more, and at the same time established friendly relations with the people. Whether they obtained as good a letter from this king as from the other we are not informed, but if they failed in this they missed an advertisement which nowadays would be considered as worth many times its weight in gold. The fleet returned to England with its rich cargo in September, 1603.

In the following year a fleet of four ships, the largest of 600 tons burthen, was again sent out. Middleton himself was in command and anchored off Bantam on December 23rd. He bought largely of the spices, and then proceeded to explore the district of Malacca, and established commercial relations with the natives. In an account written on March 17th by one of the ship's company, we read: "We had sight of all the clove islands, that is to say Maquian, Motir, Tidorè and Ternatè, all of them peaked hills in form of a sugar-loaf. The people of Maquian came aboard of us with fresh victuals. They said they had good store of cloves in the island, but they could not sell us any without leave of the King of Ternatè."

Ternatè had already been visited in 1579 by Sir Francis Drake, and Middleton thought it desirable to proceed thither. He found its king "sorely troubled both by the quickened jealousy of his old enemy, the

King of Tidorè, and by the new rivalries of the Dutch and Portuguese merchants already settled on his island."[1]

Captain Middleton seems to have smoothed things over enough at least to get from the king of this little spice island a letter to King James of England. This is what he wrote, or signed: "Hearing of the good report of Your Majesty by the coming of the great Captain Francis Drake in the time of my father, which was about some thirty years past—by the which captain my predecessor did send a ring unto the Queen of England as a token of remembrance between us—since the time of the departure of the aforesaid captain we have daily expected his return. My father lived many years after, and I, after the death of my father, have lived in the same hope, till I was the father of eleven children: in which time I have been informed that the English were men of so bad disposition that they came not as peaceable merchants but to dispossess them of this country, which by the coming of the bearer hereof we have found to the contrary, which greatly we rejoice at."

This voyage was on the whole a very successful one, for, while one of the four vessels was lost, the cargoes of the others were of much value and well repaid the promoters of the enterprise. We can, perhaps, imagine Middleton's satisfaction in presenting to King James the interesting letter sent by the king of a little island twelve thousand miles away, insignificant enough except for its production of those highly prized spices.

The third voyage, begun in 1607, was also successful and so profitable that to the shareholders of the enterprise were given dividends amounting to 234 per cent. On this occasion Captain Middleton remained at home and devoted his attention to the management of the still small and insignificant East India Company, and his zeal in connection with this new development of British Commerce earned him a knighthood.

[1] Bourne's *English Merchants.*

Another expedition was planned and carried out, but ended disastrously, for both of the fine ships sent out were lost—one being shipwrecked in the Indian Seas and the other, on its way home with £70,000 worth of goods, was captured, looted and destroyed by "the wicked Bretons." Another single ship sailed in April, 1609, and after two years returned with a cargo of nutmegs and mace, yielding a profit of 211 per cent to the owners.

Thus far the East India Company had really consisted of a few merchants willing to risk much with a chance of much profit, but the experiments had proved so successful that in May, 1609, in lieu of the privileges granted by Queen Elizabeth, a new and more comprehensive Charter in the shape of a monopoly was obtained from King James "granting to the Company 'the whole, entire and only trade and traffic to the East Indies' for ever and a day, no one being allowed to have any share in that branch of Commerce without licence from the Company, and all members being bound by oath to be good and true to the king and faithful and assistant to the Company, 'having no singular regard to themselves in hurt or prejudice of the said fellowship.'"[1]

This supplied an opportunity which appealed strongly to the imaginative men of commerce who composed the Company. They immediately set to work, and built within twelve months the largest merchant ship ever launched. She was christened by the King *The Trade's Increase*, and was of ten, eleven, or twelve hundred tons burthen, accounts differing as to the precise figure. With a cargo of goods worth £82,000 to be used in trading she sailed in March, 1610, under the experienced captaincy of Sir Henry Middleton. He reached Mocha early in November, and thus far all was well.

Here the governor expressed himself as delighted that his country should have been chosen by the voyagers, and entertainment and smooth speeches were exchanged.

[1] Bourne's *English Merchants*.

So pleased the natives appeared to be that Captain Middleton was urged to take up residence on land and bring with him quantities of cargo. He did so, and soon regretted the step, for the wily people of Mocha immediately found cause for showing the cloven foot. A claim was made that the crew were displaying signs of fight, and Middleton and his company of fifty-one men were at once treated as prisoners.

For six months they were held thus. One of the men escaped, found a canoe on the shore, rigged up a sort of sail and finally reached the ship, from which, by letters adroitly smuggled in, he urged Captain Middleton to procure native clothing, cut off his hair, stain his face and steal out of town with a burden on his back, assuring him that if he would do so they would get him back to the ship. This suggestion the captain declined to act upon—we cannot quite see why—nor would he listen to his chief deputy's request that they should be allowed to make forcible entry into Mocha and liberate him. But this most natural proposal also was declined, and it is more than likely that the worthy captain possessed a streak of obstinacy which even now is not entirely wanting in the Anglo-Saxon race. At last, however, he escaped, and then, by threatening to attack the town, and by promising that neither he nor the English should in the future make any trading expeditions to that country, he secured the release of those men who had been held with him. Of his goods, £26,000 worth had been taken from him: several of his men had died, and he had also suffered the loss of eleven months of valuable time.

He left the Red Sea as quickly as the winds would take him, and in October reached Surat, where he found his path disputed by a fleet of twenty armed Portuguese vessels. This was not a very agreeable reception, but one which the men who entered into competition with the entire world were quite likely to encounter.

The admiral of this opposing fleet sent word to Captain

Middleton that if he could show a permit from the Portuguese King they might enter harbour, otherwise the sooner they set sail again the better for them. Middleton replied that he bore credentials from the King of England to the Great Mogul, whose territory was free to all nations, and that, while he wished no harm to traders or ships of other nations, he nevertheless proposed to carry out his plans and trade as he chose.

He tried to carry on a peaceful trade with the natives, but found it waste of time, and therefore, brave old fighter that he was, boldly attacked with his three vessels the twenty of the enemy, and so vigorous and well planned was his attack that he sunk one of their frigates and put all the rest of the fleet to flight.

He then sailed for Bantam, but ill-luck still dogged the *The Trade's Increase*, for she struck a rock and was barely able to reach her destination, while the other two vessels were suffering from the wear and tear of two years at sea. He sent one of them back to England to obtain material with which to patch up the damaged ship, and took up his residence in a little town near Bantam. Here his men died one by one, and he too found it impossible to battle with the diseases the climate and the season bred in the constitution of the unacclimatized white man. This fine old merchant-adventurer grew weaker and weaker and died near the end of 1613, and as he passed out of this life so the proud and splendid ship which he had commanded found herself unable to buffet the storms any longer, and became a total wreck—a dead thing on the shore of this tropical ocean.

Hugh Myddelton, the third brother, who had no association with the East India Company, won a name and fortune in domestic affairs, but his place in history was chiefly gained by his successful efforts to bring a stream of running water from the River Lea to the northern parts of London. We read that "The matter (of a water supply for London) had been well mentioned though little minded, long debated, but never concluded,

till courage and resolution lovingly shook hands together, as it appears in the soul of this no-way-to-be-daunted well-minded gentleman."[1]

On the 28th of March, 1609, the Corporation of London formally accepted Myddelton's proposal to bring water from Chadwell and Amwell in Hertfordshire to Islington, stipulating that the work should be begun in two months' time and finished, if possible, in four years.

The opposition of the landowners through whose property the new river was to be directed was immediately aroused, and petitions to Parliament became fast and furious. They said that their lands would be turned into "bogs and quagmires" and their ploughed fields into "squalid ground"; their farms would be "mangled" and the canal would be "worse than an open ditch into which men and beasts would fall by the score in fine weather, and at every rainfall would overflow to the certain ruin of all the poor on its banks."

By May, 1610, Myddelton had spent £3,000 of his own money on the work, but a restraining bill was brought into Parliament and referred to a committee. The House, however, fortunately soon adjourned and did not assemble again for four years, before which time the cutting had been completed. During the progress of this expensive work Myddelton became hard pressed financially, but luckily King James believed in the undertaking and agreed to assist to the extent of paying half the expenses on condition that he was to receive a moiety of all interest and profits to be derived from it when complete. The New River Company thus formed registered seventy-two shares, thirty-six for the King and thirty-six for Myddelton; but so great was the drain on the latter's resources that before the work was complete he had been obliged to sell all but two of these shares.

[1] Stow's *Survey of London.*

S.r Hugh Myddelton Knight & Baronet.

Hee first brought the New River [illegible]

Sir Hugh (for he had during this period been knighted) continued, after this work was over, to interest himself in home affairs. He did other important things for the development of public good. He was always a hard worker, and died, not a rich man, in 1631. He furnishes yet another splendid example of the merchant-adventurer who, by a fine commercial training, developed a brain quick in resource. He was full of nerve, broad in experience, and seemed capable of carrying out practically anything to which he turned his attention.

XVII

MERCHANTS OF THE NORTH OF ENGLAND

HE great manufacturing districts of Yorkshire and Lancashire, which have done so much to make England rich, laid their foundations as manufacturing centres early in the thirteenth and fourteenth centuries. Their grass lands were so excellently suited to sheep raising that very early in the history of this country wool ranked as an important, in fact as the chief, commercial product of the North of England, and soon won for itself the place of honour among weavers of fine cloths the world over; but we must remember that the known world was at that time very small.

Merchants from foreign countries competed among themselves for the best fleeces. The trader from Venice vied with the man from Spain; the Augsburg merchant fought his commercial duel with the rich manufacturer from Flanders, and all visited the wool-raising counties of Yorkshire and Lancashire. But why, argued the wool-growers most reasonably, if they possessed the raw product should they not make the added profit by spinning and weaving it themselves. The most enterprising made the experiment and duly profited thereby, since enterprise coupled with intelligence was as good a guarantee of success in the thirteenth century as it is to-day. Their efforts, however, taught them how much they had yet to learn. The most skilful weavers in the world were the Flemish, and by a good stroke of fortune for England

MANCHESTER IN XVIIIth CENTURY

From an engraving by T. Tinker, junr. in 1772

many of these were driven to our shores by the great floods in Flanders, and were hospitably received by Henry II. Receptive minds in the north were quick to learn of these refugees the mysteries of their art, realizing that it was far better, as well as far cheaper, to learn from others who were experienced and successful than laboriously to study out for themselves.

The business of cloth-making received a strong impetus. The process of warp and woof entered slowly but surely into the very lives of the people, for just as certain trees and plants are indigenous to certain countries and districts, so certain departments of commerce seem to belong to certain races of people. Their children and their children's children saw the work being done as soon as their eyes were open, until it became as natural for a child of the north to weave cloth as it is for a child of Italy to sing, or of Iceland to fish. Manchester and Leeds, Wakefield and Halifax, Kendal, Bolton, Bury and Rochdale all became cloth-making towns.

Leland, who visited the north in 1538, describes Wakefield as " about as large as Halifax and Bradford as half the size of Wakefield." He speaks of Leeds as " a pretty market, as large as Bradford but not so quick as it " ; while " Manchester is the fairest, best-builded, quickest and most populous town of all Lancashire. There be divers stone bridges . . . the best, of three arches, is over the Irwell." " Manchester is, and hath of long time been, well inhabited," stated the preamble to an Act of Henry VIII. in 1542, " and the King's subjects, inhabitants of the said town, have obtained, gotten and come unto riches and wealthy livings . . . within the said town ; and by reason of the great occupying, good order, straight and true dealings of the inhabitants many strangers, as well of Ireland as of other places within this realm, have resorted to the said town with linen yarn, wool and necessary wares for making of cloths to be sold there, and have used to credit and trust the poor inhabitants of the same town, which were not able and

had not ready money to pay in hand for the said yarns, wools and wares unto such time the said creditors, with their industry, labour and pains might make cloths of the said wools . . . and pay their creditors; wherein hath consisted much of the common wealth of the said town, and many poor folks have living, and children and servants are there virtuously brought up in honest and true labour out of all idleness."

Manchester developed her linen-making with her wool, but what curiously enough was formerly known in commerce as Manchester cotton, or coating, was a rough kind of woollen cloth, excellent for keeping out the cold, and of great durability. The manufacture of cotton goods as we now know them was not undertaken until the seventeenth century. An account of the trade of the north, written in 1641, describes it thus:

"The town of Manchester must be worthily for their encouragement commended, who buy the yarn of the Irish in great quantity, and, weaving it, return the same again into Ireland to sell. Neither doth their industry rest here; for they buy cotton-wool in London that comes first from Cyprus and Smyrna, and at home work the same, and perfect it into fustians, vermilions, dimities, and other such stuffs, and then return it to London, where the same is vended and sold, and not seldom sent into foreign parts."

To win its position as the "quickest and most populous town of Lancashire," Manchester possessed men of nerve, of strength of purpose and of ability, and that progressive and enterprising merchant, Humphrey Chetham, perhaps represents the best and most successful of any in the list.

Chetham was born in 1580, and early in the seventeenth century was making a name and fortune for himself as a merchant dealing in the products of his district. His wealth, and the ability which won it for him, attracted the attention of the King, and he was early called upon to help in the affairs of State. We do not find that he shirked the duties that devolved upon him, but its

Engraved by W. Holl

HUMPHREY CHETHAM.

Founder of Chetham's Hospital Manchester

Ob. 1653

supposed honours he avoided as he would the plague. In August, 1631, "Mr. Humphrey Chetham of Turton" was summoned to Whitehall, there "to compound for not appearing at His Majesty's crownation to take upon him the Order of Knighthood." This was merely one of the curious forms of taxation at the time, and was inflicted on many others besides Chetham, who, after paying heavily for the privilege of retaining his name as his parents had given it to him, became sheriff in 1634. This was a case of the office seeking the man, rather than the man the office; and while fulfilling its duties he was obliged to collect money, much money for the Crown. Is it not surprising how, throughout history, the chief occupation of all rulers of all nations has been to get money? If this money, all these uncountable sums of money collected or wrung from the people, had been used intelligently or even with reasonable good sense, what wonders could have been accomplished. There are enough mistakes made and poor judgment shown, as we all know, in that field of activity called Commerce; but if one-tenth of the foolishness had been employed there that has been exhibited by those who have undertaken to govern, all commerce, and everyone connected with it, would have been bankrupt many times over, and have sunk long since in the seas of oblivion.

At all events Humphrey Chetham, who declined to be Sir Humphrey Chetham, passed the most unhappy days of his long and successful life in trying to carry out the duties of the public offices which were thrust upon him. He advanced money out of his own purse, and King Charles's Government declined even to consider its return. He was appointed High Collector of Subsidies in 1641, and this unpleasant office gave place to one which was even worse—that of General Treasurer for the county. Chetham petitioned to be excused on account of old age and his many infirmities, feeling that he had done his share in the work of the Crown. But he was too good a prize to be relinquished lightly, and for five

years he performed the duties of this office, being made again to pay, pay, pay, not because it was just, but because his rulers thought his purse was deep; as indeed it may have been, for Chetham was a bachelor.

Finally, when he had reached the age of sixty-eight, he was permitted to retire, and his remaining years were devoted to deeds of philanthropy. He died in 1653, leaving an honourable name. His life had been one of honest effort, and he had helped to build into the great foundation of Manchester's future greatness caissons of integrity, of fair dealing, of enterprise and of courage.

XVIII

GROWTH OF TRADE FROM THE SEVENTEENTH TO THE TWENTIETH CENTURY

N the seventeenth century Britain worked as she had never worked before, and pushed her trade toward every point of the compass.

She increased the efficiency of her strong and growing East India Company, and looked to her Eastland, and Muscovy, and her Turkey and Levant Companies trading in the Near East as enterprises of great importance. Of the Turkey Company Lewis Roberts wrote in 1638: "Not yearly but monthly, nay, almost weekly, their ships are observed to go to and fro, exporting hence the cloths of Suffolk, Gloucester, Worcester and Coventry, dyed and dressed, kerseys of Hampshire and Yorkshire, lead, tin, and a great quantity of Indian spices, indigo and calicoes; and in return thereof they import from Turkey the raw silks of Persia, Damascus and Tripoli; cottons and cotton yarn of Cyprus and Smyrna, and sometimes the gems of India, the drugs of Egypt and Arabia, the muscatels of Candia, and the currants and oils of Zante, Cephalonia and Morea."

Other merchant-adventurers, acting independently, traded nearer home in such centres as Hamburg, Rotterdam, Antwerp and Bruges. They shipped their cloths and bought in return such merchandise as crockery and soap. We are fortunate in being able to reproduce a

remarkably fine portrait of Henry Voguell, an eminent merchant of Nicholas Lane, Lombard Street, noted for many acts of generosity and kindness, who traded chiefly with Hamburg, and died in Bremen in 1746, aged 65. The portrait of this most distinguished looking man, by a French artist, Pesne, was twice engraved, in mezzotint by Faber and in line by G. F. Schmidt. A noteworthy feature of it is the view of the Tower of London in the right-hand background.

Perhaps here we may also be allowed to refer to a later portrait, this time of a notable grocer and tea-dealer, Robert Orchard, whose shop, No. 34 Greek Street, Soho, is still standing, and was until recent years still a grocery, while he had another establishment at Sawbridgeworth in Hertfordshire. Orchard, who was also the publisher of the mezzotint (in 1803), declares himself in the inscription to be the manufacturer of Chocolate and Cocoa on a new and improved Principle, Wholesale, Retail and for Exportation. He is said to have been a scion of the Orchard family, after whom Orchard Street is named, and, as shown in the print, he bore the same canting arms, on a field azure, a chevron argent between three pears proper.

But this is a digression.

Other merchants again sent England's products into Italy and brought back velvets, damasks and other things which Italy had to offer; while already the new colonies across the Atlantic were stretching out their arms toward the Mother Country and tempting the plucky merchants to come to them and trade. Of these colonies Virginia was the oldest, and tobacco her greatest product; while Maryland, situated just north of Virginia, was second only to her in importance in this respect. The importation of tobacco, however, met with considerable opposition in England. James I. requested the colonies to breed silkworms and establish silk works, silk being "a rich and solid commodity preferable to tobacco"; and in 1631 Charles I., becoming more peremptory, ordered

ROBERT ORCHARD.
GROCER AND TEA DEALER,

them to send home "some better fruit than tobacco and smoke," and thus avert "the speedy ruin likely to befall the colonies, and the danger to the bodies and manners of the English people through the excessive growth of tobacco."

But in the battle royal between these kings and my lady Nicotine the victory was all with the latter, and we read that in 1740 at least two hundred English ships were constantly employed in transporting tobacco, and that their united cargoes amounted to no less than 18,000,000 lbs. annually.

The little collection of states in the north-east corner of what is now the United States, known as New England, was peopled with the Puritans, who from the very first, as traders, were fully able to take care of themselves. From these Puritans the real Yankees are descended; and as men of business it is generally conceded that they, as a rule, require no guardian.

Do not let us lose sight of the difficulties of those days: the small boats, the ill-equipped harbours, the poor roads. There were no railways; steam and electricity and the thousand uses to which they are now put were then utterly unknown. There were only a few newspapers and journals, though this, indeed, is a questionable disadvantage. The facilities for banking were meagre, and the amount of money in the world was comparatively small. The risks of crossing the broad ocean were therefore a thousand times greater then than now, and yet these splendid merchant-adventurers went wherever the possibility of profit and excitement called. Is there any other occupation, any other game than business into which men will so continually enter with so little thought of the risk—enter with such zest and enthusiasm, knowing they are sure to receive at least a certain amount of reward in fascinating romance?

We have read that James I. indicated to the Virginian colonists that as far as he was concerned they would be wiser to breed silkworms and manufacture silk than to

grow tobacco; but, by a turn of the wheel, England herself soon became the centre of the silk industry.

The policy of France, which caused the revocation of the Edict of Nantes in 1685, deprived that country almost at once of half a million good citizens—good workers and thrifty savers. These workmen fled with their families from the shores of France; and England, chosen by a large number as their future home, profited accordingly. They brought with them the skill and experience of the silk weaver, and made it possible to establish this great industry in England. Their coming was opposed; they were not wanted; they would "take the bread out of other people's mouths," and much more of this narrow-minded argument. But their advent gave a splendid impetus to many trades. We read in an old acknowledgment of the advantage gained by this immigration that "Instead of doing us hurt they have proved a great and manifest blessing by improving some of our ancient arts and manufactures, and likewise by introducing various new ones. To them England owes the improvement of several of its manufactures of slight woollen stuffs, of silk, linen, paper, glass and hats . . . also watches, cutlery-ware, clocks, jacks, locks, surgeons' instruments, hardwares, toys, and the like."

What has become of this silk industry? Why has England lost in the twentieth century so much of what good fortune gave her in the seventeenth? Are the present day men of business less ready to try, less prepared to risk, and not so eager to compete with other nations?

One sees no reason why, if the climatic conditions of England allowed silk manufacture to excel here in 1700, there should not be a great field for a similar industry now. There are plenty of such possible branches of commerce which could be grafted into the great parent tree and thereby cause the whole to be mightier and wider spreading. Why does not someone do it? What is lacking? Certainly everyone is not always so very busy, so

deeply occupied as to make it impossible. Is it not perhaps that England has grown rich and more or less indifferent to these things? Is the game worth the candle? Is business to the average man quite the sport it was a hundred years ago? The young man at once says, "Yes, I'd do it, but how about capital?" The rich man says, "Oh! very well, but I prefer a lower rate of interest and reduced risk."

Yet England can, if she will, again become by far the greatest manufacturing centre of the world. She can, if she will, snap her fingers at competition. She does it admirably in some branches of trade, why not in all?

XIX

THE FANTASTIC IN TRADE

I

TRADE has often been developed on lines as widely hysterical as if directed and controlled by silly school children; for when trade touches a man's or a nation's fads, common sense departs and gives place to the wild and fantastic. Men and women become infatuated with an idea, and so bereft of usual financial judgment that their acts when viewed from a distance appear insane, as indeed they often really are. Romance may remain, but a romance which is nebulous and unreal.

Perhaps some of the sweetest moments of life are experienced in the gratification of a long-felt wish. Let a man be a collector, with all the ideals that a true collector may possess. Let him collect books, or orchids, or Chinese pottery, or miniatures, or pictures, or coins, or old furniture, or manuscripts. Let him be a student of any one of these subjects, or a hundred others. Let him dream of and long for some precious example rare and difficult to find. Let him feel in his very marrow the intense love for that one object, then let it become finally possible for him to possess it. Money which cannot well be spared goes quickly. Everything gives way to this unconquerable desire. To own it, to look at it, to handle it, to take one last long look at it each night before sleep, to gloat over it with a miser's love, and to display it proudly to admiring companions: such is

a portion of the joy which comes to a man who is a collector at heart.

A true bibliophile may be pointed to as a collector *par excellence.* The lover of first editions is a delightful faddist. His common-looking, unpretentious volume has perhaps been read and caressed by the great man who wrote it, and who watched anxiously the reception by the public of this his first effort and first step to fame. Its later owner points with infinite pride to errors of typography which the careless printer had not been sufficiently interested in or well paid for to correct. Such little faults as a wrongly numbered page, an inverted letter, or an error of statement have through years of book collecting added charm and value to the shelf of first editions. Then the bindings running from the famous Groliers through the entire gamut—the Tournevains, the Deromes, the Mace-Ruettes, the Plantins, the Padeloups, the old pigskin Elzevirs, and the ornate and bejewelled Bibles of that age of display, down to the beautiful works of delightful art of the finest binders of the present time—these all are to the collector dearer than gold, and seem the most entrancing objects on earth.

Then the Missals which breathe an air of the monastery and reflect the patient skill of the monk-artist of that period of the world's history when all that was best and cleverest was devoted to the Church.

Then the books from the library of the great or famous or notorious characters of olden times; one sees now as perfectly as if each volume were upon this table a beautiful red morocco copy, the red as bright and brilliant as when it left the tooler's hands, a charming book which was once Marie Antoinette's, and stamped with her royal coat of arms.

The fair Queen has touched and perhaps loved that book, and now—now it is here, surrounded with all the memories of her life, to take one back for an hour to the Court of Louis.

Here is one of Madame du Pompadour's, boldly tooled in the fearless but perfect style which Padeloup always employed, and here is one which Louis XIV. himself owned, covered with the double L's and bearing his coat of arms, while next to it is one of Louis XV.

This book, whose binding seems to call out that it was once the property of the Great Napoleon, makes us take a short half-breath, and that it was read by its first owner is much more likely than that those of a Louis ever entertained their owner with anything but their beautiful covers.

But see this which bears the coat of arms of the great Francis I., whose reign left such strong impress on the world's architecture. And the prize of all the library—a splendid copy of Grolier, with its "I. Grolier et Amicorum," and its well known Grolieresque design which Grolier brought from Italy, and had applied by his own bookbinders to his best-loved books.

As the lover of books is never happy at leaving them, so the writer of the book-lover's hobby gives way too slowly to other and to him much less delightful subjects. But it is an intoxicating fad.

Only second to the bibliophile is the collector of those most wonderful of all plant life, the orchids. It is easy to see how, and why, men risk their lives in miasmic swamps, in mountain gorges, in unknown wildernesses to gather them, for orchids seem as nearly human as any plant can be. The rare and wonderful plant of Central America, or of the frontiers of Brazil; or another species which live in the cold clear air far up on the Andes Mountains; the oddly shaped, almost animal plants which grow down and not up, whose buds burst into bloom with a small explosion; the weird flowers which have the odour of the apothecary's shop; the orchids of the Malay Peninsula from which all orchids take that name; the strange little plants which may be found only in some tiny end of some particular island of the Pacific; the orchid which looks like a butterfly and

is so named, or like the Chinese baby, or like the great white moth, or the interesting orchid of Madagascar, which proved to Mr. Darwin that a moth must exist in that island with a proboscis eighteen inches long, and which was years after discovered, because without a moth with such an exaggerated proboscis the plant could not be fertilized.

Oh! these are to the lover of orchids things to own. All other interests seem small compared with the beloved orchids. Money must be found and spent for them—they are almost one's children. One becomes infatuated, drunk with the love of them. And such are fads.

Commerce is organized to gratify the wishes and demands of the faddist as well as the matter-of-fact man. Commerce adds its charm, but the disease is dangerous, infectious, and he who enters the chase with all determination to trade in them as mere merchandise, often finds himself carried away from his original purpose and as crazily in love with them as is he whose wants he sought to gratify.

To the man whose mind is active fads are a delightful rest, and the busier the man the more desirable are hobbies to which he can turn. Healthy fads are heartily to be commended, but fads carried to too great an extreme too often lead to sorrow.

There are a few instances of almost universal faddism, and so far reaching have been the ill effects of such that they have precipitated almost a continent into financial chaos. Perhaps a short chapter on one or two of them will not be uninteresting, as showing the almost fanatical lengths to which the Romance of Trade may be carried when the element of good judgment is eliminated and its place taken by a momentary craze.

II

THE TULIP CRAZE

As long ago as the sixteenth century, the tulip—a name taken from the Turkish word signifying a Turban—was introduced into Western Europe. Plants bearing this flower were first seen in the garden of a learned man of Augsburg, Counsellor Herwart, who had already acquired a local reputation as a collector of rare exotics. The bulbs had been sent to him by a friend from Constantinople; and either Herwart's fame as a connoisseur of rare plants, or the erratic condition of the public mind at this period of the world's history, when it seemed to crave a new sensation, or both, within a few years caused this single little flower to turn everything topsy-turvy, to make and unmake fortunes, and to leave several nations much worse off than before its appearance.

Herwart's plants were seen by his neighbours, who at once desired some for their own—their blooms became their pride, and others were infected with the desire to possess them. Money will nearly always procure material things which are wanted, and as the numbers of envious ones increased the value of the plants rose. "Ten times one is ten" with collectors as truly as with mathematicians, and more and more of Augsburg's citizens caught the fever.

Pickmann in his *History of Inventions* says: "There are few plants which acquire through accident, weakness, or disease so many variegations as the tulip. When uncultivated and in its natural state, it is almost of one colour, has large leaves, and an extraordinarily long stem. When it has been weakened by cultivation it becomes more agreeable in the eyes of the florist. The petals are then paler and smaller and more diversified in hue, and the leaves acquire a softer green colour. Thus this masterpiece of culture the more beautiful it becomes grows so much the weaker, so that with the greatest of

skill and most careful attention it can scarcely be transplanted or even kept alive."

At all events the cultivated tulip profoundly pleased Europe's entire public. It gradually found its way into many gardens, at first of the wealthy and then of those whose means were limited, and it is not surprising that in Holland, which in the seventeenth century was one of the richest countries of Europe, it became the horticultural pet of the merchant princes.

About the year 1600, we find the owners of the fine gardens of Amsterdam sending to Constantinople for more plants, and each year until 1634 the tulip increased in reputation. It became almost a requisite of polite society that one should possess a collection of these flowers, and it was looked upon as extremely bad form for a man of means to be without his share of them. It was a short and easy step from the wealthy to those of moderate fortune, and from them to the less well off, and each class in turn became imbued with the desire to own at least a few of these flowers of fashion—these tulips.

As the financial scale descended, so the number became larger and competition grew fiercer. Not to be outdone by his neighbour, we read of the trader of Haarlem who gave half of his entire fortune for a single bulb, not with the thought of selling again at a profit but to keep in his conservatory—to admire—to have and to show with pride to his visitors. And as the mania developed, prices of course went up and up. We read that in 1634 100,000 florins were paid for forty bulbs. But selling by the plant became too commonplace. Collectors, traders and speculators began to quote them by their weight in *perits*, a small weight of less than a grain. A tulip named *Admiral Liepkin* weighing 400 *perits* was quoted as worth 4400 florins, and the *Admiral Van der Eyck* weighing 446 *perits* 1260 florins; a *Childer* of 106 *perits* 1615 florins, a *Viceroy* of 400 *perits* 3000 florins; a *Semper Augustus*, which was esteemed as most precious

of all, weighing 200 *perits*, was considered a bargain at 5500 florins. Of this last named there were very few, and an enthusiast offered a dealer in Haarlem for a specimen plant twelve acres of valuable building ground.

A volume of 1000 pages upon the tulip mania by a Mr. Munting gives the following list of various articles which were paid over for a single bulb of the *Viceroy*:

Two lasts of wheat	Value 448 florins	
Four lasts of rye	,, 558	,,
Four fat oxen	,, 480	,,
Eight fat swine	,, 240	,,
Twelve fat sheep	,, 120	,,
Two hogsheads of wine	,, 70	,,
Four tons of beer	,, 32	,,
Two tons of butter	,, 192	,,
One thousand pounds of cheese	,, 120	,,
A complete bed	,, 100	,,
A suit of clothes	,, 80	,,
A silver drinking cup	,, 60	,,
	2,500	

which shows that the buyer had pretty well ransacked his house for trading merchandise, and also that beer and wine were cheap as compared with other commodities.

The demand for rare species of tulips increased, so that by 1636 regular markets for their sale had been established, and they were daily quoted in the Stock Exchange. This, however, must seem hardly surprising to us, because on the Stock Exchanges in every capital in the world are quoted in this twentieth century shares of companies which have more doubtful value and less *raison d'être* than had those beloved but over-valued tulips of Amsterdam and Haarlem.

Stock jobbers made the most of the mania. Few kept their heads and fewer kept aloof from the mania. At first—and it was at this immediate period that the disease

TULIPS AT THE TIME OF THE TULIP CRAZE

From an engraving published in 1760

reached its virulent form—at first everyone had infinite confidence in the values and the speculators gained. The market broadened, and, as is so often prayed for nowadays by Capel Court and Wall Street, the public came in. Everyone seemed to be making profits from tulips, and no one dreamed that prices could fall. It appeared to be a permanent feature of Commerce—Commerce really in its most fantastic phase, but fascinating to a people all alike mad with the artificial respect and almost adoration for a simple little flower.

We read that "nobles, citizens, farmers, mechanics, seamen, servants of both sexes, even the poorest, dabbled in tulips." People of all grades converted their property into cash and invested in the flowers. Houses and lands were offered for sale at ruinous rates or assigned in payment of purchases made at the tulip market. Foreigners became smitten with the frenzy, and money from abroad poured into Holland. As a result, living became more expensive and altered, and in a short space of time almost all conditions of life had to be readjusted because this mania for tulips had turned all the people's heads.

In the smaller towns the duties of the public notary were usurped by the "tulip notary," and each town and village possessed its show place, usually the chief room of the principal inn, where tulips were displayed to the demanding and buying public.

It reminds one of that interesting story of Jules Verne who, in *Dr. Ox's Experiment*, describes the doctor as filling the air of a town with a peculiar gas, and thus transforming the slow-going and slow-thinking inhabitants into a lot of wild men. The story is ingenious and worth the reading, but that famous writer might almost have had in mind the years 1634–5–6.

However, the mania finally reached its climax, as all manias must. Rich men were found to be buying to sell again rather than to keep in their gardens. The fascination of the flower had been conquered by the love of gold. Commerce had won against the delight of

a true fad. It was not a fair race. Commerce with its ally, the winning of gold, will with a great public always win in the end. It always has done so, and those who can resist its allurements against great odds are few.

The few who still possessed any property began to raise their eyebrows. To them the gigantic folly of the whole thing began to become apparent. Somebody must lose in the end. Nothing can always keep advancing in price, and the conviction of the few began to take hold of more and more of the saner members of the nation. One would agree to purchase ten *Semper Augustines* six weeks after date at 4000 florins each, but when the plants were presented at the date agreed upon for payment the price was found perhaps to have dropped seriously. Defalcation became common. Many of those who had counted themselves as rich found their fortunes really consisted of a few bulbs, for which suddenly there was no market. Men accused their neighbours of bringing about a financial pandemonium. The fever of speculation was superseded by an equally intense fever of pessimism. The whole country was involved, and it became imperative that something be done to prevent general bankruptcy. Public meetings were held everywhere. The Government was appealed to. But Governments too often fail in the impossible as well as in matters which require only fair judgment and unselfishness. The Government did the usual thing. They discussed the matter for three months and then concluded they could not solve the problems, and thus the whole matter rested. Those who had tulips must lose, and lose they did, and this applied to nearly everyone. Holland suffered fearfully. Her people, many of them at least, had to begin the accumulation of savings or of fortunes all over again, and for years the commerce of the nation languished.

London and Paris had followed Amsterdam in the craze but with a lesser frenzy. Their losses were great

but were individual instead of universal. Neither public felt the shock more than happens often now when some bubble in rubber or equally speculative feature bursts. Always when great numbers of the public try to make money out of little or nothing, disaster results.

In our own time the only approaching comparison is the price occasionally paid for some very rare orchid. A little plant, perhaps three inches high and looking to the uninformed like a tiny shoot, which might be a sweet pea or a blade of grass—a tiny shoot with a couple of leaves—fetches a thousand guineas, but only from the real collector. He does not buy to sell again. There would be no buyers. He buys only because he loves the plant and wants it much more than he wants the money, and when the plant reaches maturity the superb flower seems to repay the real collector many times over. But such an one when thinking of his beloved hobby banishes all thoughts of money and profits. He would feel that that which he loves is too precious to associate with anything so comparatively commonplace as even Commerce.

III

THE MISSISSIPPI SCHEME

The Mississippi madness which enveloped France in the years 1719–20 is another of those freakish children of Commerce which sent people insane in their expectation of sudden wealth.

The name of John Law must always stand out as the creator of this remarkable episode in the history of Commerce. Commerce usually calls for the soundest of common sense, for carefully proposed plans, for risks, yes, but risks which at least look like good fair risks.

Dame Commerce requires the greatest intelligence which a man can bring to bear, and casts no friendly eye upon the wild and irresponsible speculation which is based on nothing but fantastic dreams.

John Law was probably a man of much intelligence and ability. It is difficult to arrive at his true condition of mind, because writers of his period were so prejudiced that a fair reading of his character may only be taken from a middle course. Those who hated him hated him intensely, while those who favoured him and acquitted him of blame for the disasters of the Mississippi bubble could see no wrong in anything he did.

We know at least he was well acquainted with the laws of credit, that he was a student of philosophy, and that he understood the monetary system perhaps better than anyone else of his day.

John Law was born in Edinburgh in 1671. His father was the younger son of an ancient family in Fife which carried on the business of goldsmiths and bankers. He entered his father's counting-house when fourteen years of age, and worked earnestly for three years in learning the principles and methods of banking, as then carried on in Scotland. He proved very quick at numbers, and soon showed that he possessed a decidedly mathematical mind.

Young Law passed through the usual vicissitudes of a good-looking, somewhat vain and petted youth. He was popular with the ladies, who called him Beau Law, but by those of his own sex was nicknamed Jessamy John. On the death of his father his fortunes were sufficiently increased to make detail work at the accountant's desk unattractive, and he gave it up and proceeded to London to see the world.

Here he quickly added to his record many affairs of the heart, a reputation as a fairly successful gambler, a duel at which he shot his adversary dead, a trial and a sentence of death which was commuted to a fine, and an escape to the Continent. He lived in Amsterdam for several months and studied finance during the days and gambled half the nights, and finally returned to Edinburgh.

For fourteen years Law roamed about Europe in an aimless, happy-go-lucky manner, always keenly alive to

PHILIPPE, DUC D'ORLEANS

REGENT DU ROYAUME

From a line engraving by Maria Horthemels after a painting by J. F. Santerre

the study of matters of finance, and equally active in the great gambling halls, of which there were plenty in all capitals. He was warned out of various cities because the authorities considered his presence and example undesirable to the youths of their districts; but during his adventures he became acquainted with various gay members of the royal families and of the then smart sets. Among them were the Duke de Vendôme, the Prince de Conti, and the gay Duke of Orleans, the last of whom seemed to enjoy greatly the wit and amiability of the lively young Scotsman.

Law, it is said, proposed to Louis XIV. through the royal comptroller, Desmarets, a scheme of finance, but Louis, on learning that the promoter was not a Catholic, declined to have anything to do with it.

Louis XIV. died, leaving an heir to the throne only seven years old, while Law's friend, the Duke of Orleans, assumed the reins of Government as Regent. Poor France—poor because of Louis' extravagance—hungered for financial rest. The great king's name lost for the moment the esteem of the public. During that monarch's life he had been flattered with an adulation probably greater than any other in history—in modern history at all events—but upon his death these flatteries turned to curses. He was called a tyrant, a plunderer, a great menace to France. The people rose in their wrath. They wanted relief—financial relief—but they also wanted revenge on those who had profited by the dead king's extravagance. The pages of French history of this period are dramatic, but we must not depart from our subject to record them here. It was after the public mind had become somewhat calmed that Law appeared again upon the scene with a scheme which his old friend the Duke of Orleans, as Regent, quickly endorsed, as one which seemed to relieve him partially of his most unhappy financial difficulties.

Law presented himself at Court and offered the Regent two memorials; in one he describes the evils

which had befallen France. He asserted that a metallic currency without the aid of paper would surely fail to provide France with the necessary funds for carrying on the business of the country. He used many plausible arguments to prove his position, and gave much sound advice on matters pertaining to credit and finance in general.

In his second he proposed, as a means of restoring France to a normal condition, that he should create a bank which should have the management of all the royal revenues and the power to issue notes based on this revenue and on landed security. He further proposed that this bank should be administered in the King's name, but subject to the control of commissioners to be named by the States-General.

While these proposals were being considered, he translated into French his essay on Money and Trade, and used adroitly the vehicle of publicity to gain recognition as a financier. His efforts were successful. He became conspicuous as, apparently, a man of great ability in financial matters, and one whose help was much wanted just now when things were in so chaotic a state. Therefore on May 5th, 1716, a royal edict was published authorizing Law, in company with his brother, to establish a bank under the name of Law and Company. The notes of this bank were to be received as legal tender in payment of taxes. The capital was fixed at 6,000,000 livres divided into 12,000 shares of 500 livres each, purchasable in one-fourth specie and the remainder in *billets d'état*.

Law's thirty years of study now helped him greatly. He became the master of finance. He made all his notes payable at sight and in the coin current at the time they were issued, and by this shrewd stroke they immediately became as "good as gold," or even better than gold coin, because the initial currency might at any time by some act of the Government be depreciated, while Law's notes remained always at par, providing of course his bank

remained solvent, and the question of this does not seem to have entered the people's minds.

Law at the same time publicly declared that a banker deserved death if he made issues without having sufficient security to answer at any time all demands.

Before long the effect showed itself. Law's bank-notes were quoted above par—trade revived—the public mind became easy. Within twelve months the notes were at 15 per cent. premium, while the *billets d'état* dropped to 78½ per cent. discount.

Law became more and more important as a great financier. He opened branches at Lyons, Rochelle, Tours, Amiens and Orleans.

The Regent was both surprised and delighted with the success of the scheme, so much so in fact that he began to think that paper currency alone was necessary and that gold and silver were quite unnecessary.

At this period Law proposed the scheme with which his name is so closely linked in history, and the great "Mississippi Project," or "Bubble" as it finally became, was launched. There is no indication that he was other than perfectly honest in its creation, but in final, careful judgment he certainly was woefully wanting.

He proposed to the Regent to establish a company which should have the exclusive privilege of trading on the great Mississippi river and in the province of Louisiana on its western bank. His company was not only to mine the metal in which this country was supposed to be very rich, but it would, it was claimed, gain enormously from a monopoly of trade, of farming, of levying and collecting taxes, and of coining money.

It was only necessary for Law to ask of the Regent. He seems to have had an influence which gave him what he wanted, and letters patent were issued in August, 1717. The capital was divided into 200,000 shares of 500 livres each, and payment for shares might be made in *billets d'état* on their face value, notwithstanding they could be bought at 78½ per cent. discount

If anything was necessary to create an era of speculation, this did it. Law was at his highest point of popularity. His bank had certainly done much—artificially of course, but it had for the moment helped credit. The people believed in Law, in Law's Bank and any scheme which Law cared to propose.

His bank was the recipient of great favours from the Regent. It was given the monopoly of the sale of tobacco. It was given the sole right of recoinage of gold and silver, and finally was constituted the Royal Bank of France. With this final mark of royal favour Law's Bank reached its highest prestige, but from then on, the Regent insisted and Law acquiesced in issuing unlimited amounts of paper money without any reference to security. The Parliament of France opposed this action, but the Regent vetoed its action. Again and again this vote of opposition and veto was gone through until Parliament, which looked upon Law as the chief instigator of the paper money troubles, prohibited all foreigners under heavy penalties from interfering either in their own name or others in the management of the finances of the State. Some of the members of the Parliament went further and insisted that Law should be brought to trial and if found guilty be hung at the gates of the Palais de Justice. Law was thoroughly alarmed and hurried to the Regent, whose protection he demanded. The Regent used his utmost efforts, and after arresting various Parliamentary officials finally overawed that body into submission and silence. Law used his victory, which was, however, secured at much loss to his prestige, in pushing his famous Mississippi project, and these shares began to rise rapidly. It was too interesting a speculation for the gamblers of the nation to resist, and into the great gamble almost the entire public soon rushed.

At the beginning of 1719, an edict was issued granting the company the exclusive privilege of trading in the East Indies, China and the South Seas and in all the possessions of the French East India Company established

M.re JEAN LAW CON.er DU ROY EN TOUS CES CON.ls CONTROLEUR GNÁL DES FINANCES en 1720.

Sous l. Auguste et Sage Regence
Dans France aimant la [illegible]

LAW consomme dans l'art [illegible]
Tous [illegible]

by Colbert. The company thereupon renamed itself "The Company of the Indies," and issued 50,000 more shares. Law made greater and greater promises, and public enthusiasm grew with every day. The shares were subscribed six times over. Law's house was surrounded by great throngs including dukes, marquises, counts and rich men and women all anxious to change their cash for shares. The Regent was so delighted with this outpouring of gold that he insisted that a further issue of 300,000 shares at 5,000 livres be made, with which funds he could pay off the national debt. So mad had the entire nation become that several times this 1,500,000,000 livres could have been obtained if it had been asked for.

The street where Law lived was narrow and inconvenient. It was continually crowded—stock jobbers were busy—everyone bought and sold stock, and so great was the desire to get at Law and secure some of the coveted shares that he decided to take a greater house in the Place Vendôme, where the crowd of course followed him, and the great square was soon as packed with people as had been its narrow predecessor. So great was the noise that the neighbouring courts of justice could not carry on their duties, and Law secured from the Prince de Carignan his Hôtel de Soissons. Its spacious gardens, however, were retained by the Prince, and at once an edict was issued forbidding all trading in these shares except in the gardens of the hotel. The Prince made handsomely, therefore, by the transaction, for spaces were let in the garden, booths erected, and rents collected which all went into his pocket.

Law during these busy months was again becoming more and more the great financial power of France. He was courted by the rich. His nod was worth a small fortune. Many anecdotes are recorded of schemes to win Law's attention, some humorous, some pathetic, some sanguinary—all crazy.

All this seeming plethora of money created a business greater than Paris had ever seen or saw for a long time afterwards. Jewels, costly articles of luxury, pictures, tapestries and what not were sent to the capital for sale. Frightful extravagance, this time of the people as well of the King, ruled. Paris was the Mecca for all who would sell dearly. The Regent was as carried away by the fever as anyone else. He purchased the famous diamond, thereafter known as the "Regent," for 2,000,000 livres, but with its purchase added yet one more to the long list of financial scandals due to the rulers of France.

And thus the wild delirium kept on until the beginning of 1720.

Parliament, which seems to have reasonably kept itself aloof from the general craze, occasionally deprecated the currency issues of paper money. The Regent could not see why if an issue of 10,000,000 livres should make good times 500,000,000 would not make better times. But a few of the clearer headed gradually exchanged their paper for coin, which they sent into Belgium, Holland or England. One transaction especially helped to shake confidence. The Prince de Conti applied to Law for more shares and was refused. He therefore presented an enormous amount of paper money at the bank and demanded gold, and it is said that it required several carts to transport the metal to his vaults. Law saw the disastrousness of this act, and hastened to the Regent to beg that the Prince de Conti be forced to pay the precious gold back into the bank. His request was acceded, and the Prince paid back two-thirds of the sum under protest. If the Prince had been other than extremely unpopular this act would have then and there precipitated a panic, but as it was, the people called him mean and unpatriotic, and most of them continued as blind as before. Not all, however. The wiser of the gamblers quietly began to present their paper for payment—a little at a time, but as much as they thought the bank would stand.

Law, who was no fool, could not have possibly felt that the shares would always remain at their high quotations. He had studied finance all his life, and he must have known that the whole foundation of the scheme of paper money, without security at the back of it, rested only on the tissuey foundation of public confidence—that this confidence must disappear sooner or later—that it could not continue permanently,—but whether he thought so or not, he frequently tried to bolster the scheme up by artificial means.

When the withdrawals became too heavy to ignore, he procured the passage of an edict, making the paper worth five per cent more than the metal; when this failed to check the outgoing coin, another edict officially put the paper money at a premium of ten per cent. But Governments or banks can call a thing worth anything they choose, but calling does not make it so, unless they possess at the back of their edicts the gold security which in other parts of the world is considered worth what they claim it to be. Otherwise the really valuable medium leaves the country and the artificially valuable only remains.

By the end of January matters were rapidly approaching a crisis. In his desperation Law had more rigid edicts passed. He made it illegal to use specie at all, and finally in February it was decreed that no person should be permitted to have in his possession more than 500 livres (£20) in coin under penalty of heavy fine and confiscation of any such sums so found. It was further forbidden to buy up jewellery, plate, precious stones, or such easily transportable articles, and informers were to receive one-half of any such articles which they could discover.

Of course this brought about an impossible condition of things—servants watched their masters—all privacy was done away with. Everyone was suspected by everyone. It was only necessary for some informer to report that he suspected anyone, to have that person's house searched.

During all this time the shares of the Mississippi Company had been dropping and dropping. This great bubble—one of Law's productions—needed encouragement, and several thousand of the poorest and most incapable of Paris' scum were impressed into service, were armed with picks and shovels and paraded through the streets before being sent ostensibly to work out the rich mines and lands of the company's territory.

This helped the price of the shares a little and for a brief period, but confidence had been wellnigh destroyed. A few gullible people continued to have faith, but the public had turned from the scheme—the market was gone.

Even the blind Regent saw that something must be done to rehabilitate public credit. His pet scheme for making the State rich by printing pieces of paper and calling them money was failing, had failed; and his further resource, the Mississippi Company, was also discredited utterly.

A conference was called of which Law, of course, was a member. It was proposed to cut the face value of the paper money in half; Law opposed, but as he could suggest no alternative plan it was passed.

Law had become intensely unpopular. He was attacked in the streets and in his house, until finally he begged to be given quarters in the Palais Royal under the now unhappy Regent's protection.

The former Chancellor, d'Aguesseau, who had been ignominiously dismissed by the Regent for opposing Law's schemes, was recalled, and this partially allayed the public distrust.

The chief monopolistic rights which had during the height of the craze been granted to the Mississippi Company were taken from it, and with this act the whole scheme received its death-blow. Law's influence, his former great power and prestige, almost his own safety, had gone, and he himself determined to leave Paris. At first he obtained permission to retire to one of his country

THE SOUTH SEA HOUSE

IN BISHOPSGATE STREET

From a line engraving by Bowles, published in 1754 in Stow's Survey

seats. The Regent, with the blindness of financial inability, continued to believe in the truth and efficacy of Law's financial system. He felt that he—the Regent—had made many blunders, and expressed himself as greatly distressed at their unhappy results.

During his last interview with Law he is reported to have said: "I confess that I have committed many faults. I committed them because I am a man, and all men are liable to error; but I declare to you most solemnly that none of them proceeded from wicked or dishonest motives, and that nothing of the kind will be found in the whole course of my conduct."

Very shortly after Law's departure from Paris, he received a friendly letter from the Regent granting him permission to leave France whenever he pleased, and offering him such money as he required. Law respectfully declined the offer of money, but at once left for Brussels, and thence went to Venice, where the populace looked upon him with great curiosity. They assumed that he was very rich, but in this they were quite mistaken. Law at the climax of his success had invested his profits in land in France. He apparently believed absolutely and always in his schemes, strange as such belief seems to us now. When he left France he lost this landed property, and it is said that his sole possession was one solitary diamond, worth perhaps five or six thousand pounds sterling. During his days of success he had purchased an annuity of 200,000 livres (about £8000) on the lives of his wife and children. This annuity had cost him 5,000,000 livres, but this with his land, library and household effects were all confiscated.

The fickle public who had fawned at his feet a few months before would have been glad to see him hanged, and expressed great discomfort that he had been permitted to escape.

Law felt himself an exile, and continued to hope that he would be recalled to his adopted home, his beloved France. The death of the Regent, however, put an end

to this dream. He was pursued by his creditors from one city to another and finally found himself back in his native land. Even here he was not welcome. He was severely criticized by his fellow-countrymen as one who had renounced both his country and his religion, and was regarded as an undesirable citizen.

Law, now a broken man, an accepted failure, remained in England for four years, and then sought the hospitality of Venice, where in 1729 he died in poverty.

And thus ended one of the remarkable romances of business or finance—ended as far as its chief actor was concerned; but the far-reaching effects of his wild acts born of imagination, but nurtured by unwisdom, were felt for many years by the country which he had hoped to make rich.

XX

THE LATER ENGLISH MERCHANTS

SIR JOSIAH CHILD—1630–1699

OSIAH CHILD, afterwards Sir Josiah, made for himself a great name in Commerce, while his father was a successful merchant in London trading in the East and West Indies. Josiah, who was born in 1630, began as a naval store-dealer in Portsmouth, and afterwards traded chiefly with the West Indies, bringing among other merchandise a large supply of American timber to England for use in His Majesty's dockyards; and so excellent were his importations that the Admiralty paid him the highest prices then on record for ships' masts. In 1665, Sir Josiah wrote a little book which he called *Brief Observations Concerning Trade and the Interest of Money*. This book provoked journalistic controversy, which continued for many years, but it became a standard work, and may be looked upon as one of the forerunners of the modern science of political economy.

The author treats first of the growth of neighbouring states, and says regarding the Netherlands: "The prodigious increase in their domestic and foreign trade, riches and multitude of shipping is the envy of the present and may be the wonder of all future generations; and yet the means whereby they had thus advanced themselves are sufficiently obvious, and the great manner imitable by most other nations, but more easily by us of

this kingdom of England." He then proceeds to give fifteen reasons for their success:

"First, they have, in their greatest councils of state and war, trading merchants . . . who had practical experience of trade.

"Secondly, their law of gavelkind, whereby all their children possess an equal share of their father's estates after their decease, and so are not left to wrestle with the world in their youth with inconsiderable assistance of fortune as most of our youngest sons of gentlemen in England are, who are bound apprentices to merchants.

"Thirdly, their exact making of all their native commodities" whose standard is so well known abroad that "buyers will accept them by the mark without opening.

". . . Fourthly, their giving encouragement to the inventors of new manufactures and the discoverers of any new mysteries in trade. . . ."

Fifthly, they encourage those who bring the commodities of other nations first in use amongst them.

Sixthly, their economy and thrift.

Seventhly, the careful education of their children not only to know and understand Commerce, but to love and delight in it, an education which is given to girls and boys alike, so that when a girl marries she shall have the ability to continue her husband's business in the event of his death.

Another reason is the immense assistance given by their banks to their merchants.

Another, their "law-merchant," by which all controversies between merchants and traders are decided in four days. Another, their law of the transference of bills of debt from one man to another "by means whereof they can turn their stocks twice or thrice in trade for once we can in England."

Another, the low rate of interest charged "which in peaceable times exceeds not three per cent per annum, whereas the rate of interest in England is six per cent at the least."

T. Riley Pinx.

M. L. P. Gucht Sculp.

Sr. Josiah Child Bar.

Several other subjects were dealt with by this clear-headed old merchant-adventurer, and except for the differences of phraseology, many of his proposals for the betterment of conditions in England might well have been made by some social reformer of the twentieth century rather than by one who lived two hundred and fifty years ago.

Later, Child became a leading director of the East India Company, which he considered as one of the most important of all England's undertakings, and did much to bring it to the wonderful position it occupied for so many years.

Child, in his later days when his power and wealth were very great, is thus described by a not too friendly contemporary: "He was a man of great notions as to merchandise, which was his education, and in which he succeeded beyond any man of his time. He applied himself chiefly to the East India trade, which by his management was raised so high that it drew much envy and jealousy both upon himself and upon the company. He had a compass of knowledge and apprehension unusual to men of his profession. He was vain and covetous, and thought too cunning, though he seemed to be always sincere."

Sir Josiah Child died at Wanstead in 1699. His close connection with the English nobility is traced in another chapter.[1] His son Richard became the first Earl Tylney, and his brother Francis has the honour of being the first Englishman who made banking his sole business, divorcing it from the goldsmiths' craft, which up to his time was always associated with and part of the business of banking. The present Earl of Jersey is his representative, and Child's Bank is carried on to this day.

[1] See page 306

WILLIAM PATERSON—1658–1720

Another man, a Scotsman, who left his stamp on England's commercial and financial history, was William Paterson, whose ability and energy established the Bank of England. Born in 1658, at Skipmyre in Dumfriesshire, where his father was a well-to-do farmer, he left home early, and spent his youth in Bristol. This great city of the West divided with London the trade of the West Indies and America, and it was but natural that a youth of brain and ambition, dependent upon his own efforts, looked to this fascinating branch of commerce as the one through which to win his fortune. This employment carried him on a voyage to the West Indies, where he made his headquarters for trading with Boston and the Bahama Islands. After five or six years we find him again in England, urging a scheme for establishing an English colony on the Isthmus of Darien. Paterson seems to have been more of a thinker and dreamer than an actual doer. He tried trading at Hamburg, then Berlin, but was successful in neither place. He then returned to push his Darien project to completion, and proposed to James II. that a company of his subjects should take possession of this isthmus, from which he argued both the northern and the southern countries of the new world could be effectively controlled. But James would have none of it, and Paterson was obliged to abandon the idea, at any rate for the time.

During the following years he lived in London, and occupied himself in commerce. He was only reasonably successful, and except for his proposal made before the House of Commons in 1691, and what followed this proposal, we should probably know little, if anything, of this really great man. He was invited to give evidence to the House regarding the collection and management of public loans; and he proposed that in place of the occasional and "unsettled loans formerly made to the

WILLIAM PATTERSON

From a woodcut in the British Museum. The only portrait known

Government, a fixed sum of £1,000,000 should be advanced by the trading merchants at six per cent interest as a perpetual fund to be managed by trustees chosen from the subscribers, and used not only in the supplying the pressing claims of the Government but also in forming a public bank."[1] In this proposal originated the Bank of England.

Up to this time the so-called bankers were really pawnbrokers. The country people found it expedient to leave their small savings for safe keeping with goldsmiths and other city merchants, whose shops included among their fittings strong boxes which defied thieves These clever people soon found that instead of keeping these savings locked up, they could make loans on ample security to anyone, from the King down at an interets which paid them well. This was the natural evolution, and the system had resulted in making many of these banker-pawnbrokers rich and powerful.

When Paterson proposed a public bank some supported him, but many financially strong merchants opposed a scheme in which they saw a powerful competitor for their own businesses. The Committee of the House, to whom the matter was referred, announced themselves of the opinion that they could not " receive any proposal which required making the bills of property current so as to force them as payment on any without their consent," but they informed Mr. Paterson that " they would receive any proposal to advance one million on a perpetual fund of interest, to be in the nature of a purchase, where they might assign their interest as they pleased to anyone who consented thereto."[2]

Paterson, eager to see his plan carried out, accepted this one-sided offer; but his proposed subscribers, thinking more carefully of their own advantage and less of the glory of the concern than did Paterson, declined to find the capital; and the whole matter was, for the time

[1] Bourne's *English Merchants.*
[2] Quoted in Bourne's *English Merchants.*

being, thrown aside. It continued to be discussed, and many absurd suggestions followed, all of which, thanks to the good common sense of the merchants of the City of London—the financial rulers of those days—were laughed out of existence. Paterson held resolutely to his point. He knew, and everyone knew, that one of the chief reasons Parliament had for declining his proposal was that by its adoption the Government would be deprived of the revenue it obtained from time to time by the pernicious system of debasing the coinage. This system Paterson earnestly and publicly condemned. He also denounced the method of raising money for Government use by lotteries and the annuities, by which heavy additions were made to the national debt without equivalent gain to the State.

After several years of criticism and argument, however, the legislators began to show a few symptoms of intelligence, and after much ado they ventured to test his proposition in a half-hearted way. And so the bank became a possibility at last, though further opposition had yet to be overcome. It was savagely denounced in the House of Lords, but, finally, received the approval of the majority. William III. was in Flanders, and every effort was made to prejudice Queen Mary against the Bill; she was detained by the non-contents in the Council, "from four in the afternoon until ten at night," wrote Paterson, "and had it not been for the Queen, who insisted on the express orders from the King, the commission had not passed." The Bill was endorsed by the King on April 25th, 1694, and on the 27th July was issued the royal charter of incorporation. Within ten days the subscription books were full, and the bank became an established fact.

It is not our purpose to pursue the history of this great institution. Those who are interested can find a number of complete works on the subject. We have briefly referred to its creation and to the great man who conceived the idea. It came, as did every other epoch-

A VIEW OF THE BANK OF ENGLAND IN THE XVIIIth CENTURY

THE CENTRE ERECTED 1733. G. SAMPSON, ARCHITECT. SIR ROBERT TAYLER, KT., ARCHITECT OF THE WINGS, 1785

From an engraving in the British Museum, published in 1797

making step of progress in those days, from one who had studied the details of the trade or profession of merchant-adventurer and who was proud of his calling. The inauguration of the Bank of England takes its place as one of the links of that chain of the Romance of Commerce, which began with the Phœnicians or before, and will grow longer and longer while men continue to possess the instinctive desire to trade.

Paterson was not a successful man in accumulating a fortune for himself. He had been one of the original subscribers to the bank, but he later withdrew from it, and from the board of directors, of which he was one. He had become unpopular with many, and is referred to by Macaulay as "a foreign adventurer whose whole capital consisted of an inventive brain and a persuasive tongue." At all events he ceased to be associated with the undertaking which was the child of his brain, and interested himself in other matters. He was the father of the Scottish African and Indian Company, afterwards known as the Darien Company, by which his earlier scheme was revived. It met with much opposition, with difficulties and losses, and was finally wrecked; and with it Paterson was greatly reduced both in finance and prestige. He seems indeed to have erred in judgment in many instances, but the undertaking appears to owe its failure to the jealousy, envy, and prejudice of his enemies rather than to his mistakes.

Paterson lived in troublous times. The reign of William III. had not been one of unalloyed success and progress, and the financial and political disturbances of that period had disheartened him and many of his contemporaries. In a letter written to the Lord Treasurer Godolphin on December 12th, 1709, he reflects on the conditions of the Government, and also demonstrates that notwithstanding his loss of fortune and of prestige he was still a man of influence and great ability. He wrote:

"In the last months of the life of this great but then uneasy Prince (William III.), I had access to him, when, finding him in

much perplexity and concern about the state of his affairs, I took opportunity to represent to him that his misfortunes did not so much proceed from the variable tempers, or humours, of his people as some pretended, but rather from the men of his house, or those he had trusted with his business, who, either for want of capacity, or experience, or that they preferred themselves to him, had brought the affairs of the kingdom into such confusion as made his subjects uneasy; and now at last, instead of removing the causes of complaint they had presumed to employ his treasure and authority to silence the complainers; that, as matters stood, there were no reins of Government, no inspection, no enquiry into men's conduct; every man did as he pleased, for nobody was punished, nor indeed rewarded according to merit; and thus his revenue was sunk, and his affairs in the utmost confusion. He owned this, but asked for remedies. Upon which I proposed that, in the first place, he should put the management of the revenues on the right footing, without which all other remedies would prove ineffectual. The first step toward reforming his revenue was that of restoring the public credit, by making provision of interest for all the national debts, and by taking care for the time to come such should be granted as to prevent further deficiency. The course of the Treasurer and Exchequer should be so regulated, both in receipts and payments, as to render them easy to be understood, and so certain and prudent as to leave no room for fraud, or ill-practices in time to come. In order to do this, I proposed that a method of enquiry and inspection from time to time into the behaviour of all men concerned in the revenue, be laid down, and nicely executed. Thus I showed him that he could quickly get out of debt, and at least a fourth part of the revenues would be saved hereafter. The next thing I proposed to him was the seizing upon the principal posts in the West Indies. The third thing I proposed was a union with Scotland, than which I convinced him nothing could tend more to his glory, and to render this island great and considerable. The fourth thing I proposed—and which I told him was to be done first, in order to the restoring his authority, and showing to the world that, for the time to come, he would no more suffer such a loose and unaccountable administration, as his being a stranger to men and things here had forced him to wink at hitherto—was a present commission of enquiry, by which he would see how, and by whom, his affairs had been mismanaged, and who they were who, under pretence of mending matters, perplexed and made

THE BANK OF ENGLAND

(1816)

From an aquatint by Havell after a water-colour drawing by T. H. Shepherd

them still worse, and in particular would be able to point out how far the present debts did arise from mismanagement, or from the deficiencies of the funds. I spoke much to him of the nature of this commission, with which, and the other proposals, he seemed extremely satisfied as is evident by his last and memorable speech, in which he earnestly recommends the retrieving of the public credit, and offers his concurrence to all such enquiries as should be found necessary; and it is plain by the seventh article of the Grand Alliance, and his messages to the two Houses of Parliament, how much he laid to heart both the affair of the West Indies, and that of the Union."

Perhaps the most important part of this remarkable letter is that proposing the Union of England and Scotland, and the later historians give to William Paterson, the merchant, more than to any other man, the credit for its accomplishment, for his efforts in this direction were unceasing. He argued against the prejudices of the English, he insisted to Scotsmen that their fears were groundless. He was the guiding spirit, and when on May 1st, 1707, the separate States of England and Scotland were merged into the Kingdom of Great Britain, this merchant-thinker—perhaps dreamer—felt he had not lived in vain.

The last act of the Scottish independent Parliament, which dissolved on March 25th, 1707, was to declare that William Paterson, Esquire, deserved a great reward for his efforts in promoting the Union, and on that account recommended him formally to Her Majesty's favour.

His last years were hard ones. His money was gone. He wrote books and urged reforms, most of which the legislators were too stupid or too prejudiced to accept. When he died at the age of sixty-two, he left no fortune or house, but his active brain had conceived ideas which had been crystallized into concrete form for the advancement and dignity of his country, and William Paterson, the merchant, is entitled to a niche in the temple of fame of England's men of achievement.

SIR ROBERT PEEL

Although Sir Robert Peel is better known as a statesman than a man of commerce, his life as a matter of fact was chiefly devoted to developing his unit of the great cotton industry of Lancashire, and both he and his forbears are surrounded by the romance of trade.

The first of the Peels of whom we hear was a William Peele who, about the year 1600, removed with his father, brothers and their families from Yorkshire to Blackburn in Lancashire, and there followed the then somewhat monotonous and hard calling of a farmer, as did his children after him. But to one of these sons was born a son who was named Robert, and in him the family prided themselves as their real founder.

When Robert reached the age when work must claim his daylight hours, he abandoned the farm for the more enterprising occupation of making woollen clothes. He strove to improve the quality of such goods, and success in this effort made him a little richer than his neighbours, so that when he died he was able to give to each of his daughters " nine score pounds " and to his son Robert his business. Whether this Robert progressed or not we are unaware, but his son William became a farmer, and William's sons seemed likely to follow in the same path.

But his son Robert, who, by the way, shortened the name of Peele by dropping the final " e," found in the accumulated lumber of the farm the rough wooden blocks with which his grandfather had stamped out patterns on woollen cloth. In 1774 he married Elizabeth Haworth, whose brother came to young Robert full of ideas which he had gained as an apprentice to some calico printers in London ; and as a result of their combined enthusiasm and imagination they embarked in the business as calico printers themselves. Very soon, however, these young " merchant-adventurers " found wanting the vital sinews of business as well as of war, money, and were fortunate

in making up the deficiency by taking into partnership a William Yates, who as an inn-keeper had made a little money. Haworth, Peel and Yates was the first firm in Lancashire to manufacture and print calico, and according to the policy of the times they used the utmost secrecy in their work.

In 1779 Peel, who had practically assumed the control of the business, found it necessary to leave Blackburn because the hand-loom weavers were so provoked by Hargreave's invention of the spinning-jenny that they destroyed nearly all the machinery in the town. He migrated to Burton-on-Trent, where he built mills, and here he lived and died. He was a plain commonsense, hard-working man. He thoroughly understood every branch of the cotton trade as it then existed. He was unostentatious, reserved and almost shy, disliking parade or show of any kind, and shrinking from public service and public notice. He always looked down when he walked, and was therefore known as "the philosopher" by the Burton people. "He wore a curly Johnsonian wig, and like Johnson he was dressed in dark clothes of ample cut. He leaned as he walked upon a tall gold-headed cane, and as he was a very handsome man he looked a figure stately enough for a mediæval burgomaster." It was his maxim through life that "a man, barring accidents, might be whatever he chose."[1]

When this interesting and prosperous man died he left six sons, all of whom he had instructed in the business of cotton-spinning and calico printing.

The cleverest of the six sons was the Robert to whom our chapter is chiefly devoted. He became one of the great men of commerce of England, and of the world, and left a famous name in England's political as well as commercial history. At eighteen years of age he told his father, who was still living in Blackburn, that "they were too thick upon the ground," and asked for the sum of £500 with which to strike out and build his own

[1] Sir Lawrence Peel's *Sketch of Sir R. Peel.*

fortune ; but his father could not see with his son's eyes, and declined the request. In a year or two, however, he was sent to Haworth and Yates, who, on leaving Blackburn, had established a business in Bury.

Here Peel lived with his employer Yates, and fell in love with his youngest daughter ; but Robert was thirty-six and had been a full partner in the concern for a dozen years when he married the pretty eighteen-year-old Nell.

Robert from the first loved his work. He possessed his father's good hard common sense, and his intense devotion to his business ; but he had also a fine ambition and a determination to excel, and we are told that once a week he regularly sat up all night with his pattern-designer to examine the patterns brought from London by the coach which reached Bury about midnight. For London still led all other districts in calico printing, and its prestige, its output, its profits in this branch of trade were by far the greatest of any manufacturing centre.

The great man of business, a challenge inspires to greater effort. It must be accepted, and it gives zest. To Peel the knowledge that someone else in some other district was surpassing him and his district was an incentive that spurred him on to do his uttermost. Haworth had died, and Yates wisely left the management to his younger partner's cleverer head and hands. Gradually Peel saw London's supremacy decrease. He saw the distance between the two manufacturing districts lessen. He was quick to take advantage of opportunity, and recked little whether it knocks more than once at a man's door or not, for he opened the door at the first rap, and if the truth were known probably held the door open. and coquetted with opportunity or enticed her in, while slower-moving London was doing what in some branches of business she has been doing ever since, namely, letting well enough alone.

At all events it is delightful to read that this progressive man won single-handed in the competition against

all London, and before the close of the century his house alone was printing more calicoes than all the printers of the London district added together.

But Peel, with that fine spirit which is not blunted or lessened by any degree of accomplishment, felt that his work had only begun. He had inherited his father's virility, common sense, and the imagination which is the forerunner of all big achievements, and with his father he felt that "a man, barring accidents, may be whatever he chooses." From the summit upon which his success had placed him, he was able to look further into the distance and to discover other and higher mountain peaks of progress, whose topmost standing ground he determined to reach. He loved the journey, its difficulties and hardships for the journey's sake. He loved Commerce. He took an enormous pride in his works, his organization and every detail of his business.

Dr. Aitkin, writing in 1795, gives us an interesting insight into the business from which we may quote:—

"The principal of these works are situated on the side of the Irwell, from which they have large reservoirs of water. The articles here made and printed are chiefly the finest kinds of the cotton manufacture, and they are in high request, both at Manchester and London. The printing is performed both by wooden blocks and by copper rollers, and the execution and colours are some of the very best of the Lancashire fabric. The premises occupy a large portion of ground, and cottages have been built for the accommodation of the workmen, which form streets, and give the appearance of a village. Ingenious artists are employed in drawing patterns and cutting and engraving them on wood and copper, and many women and children in mixing and pencilling the colours and so forth. The company has several other extensive works in the neighbourhood, as well on the Irwell, as on the Rock. Some of them are confined to the carding, slubbing, and spinning of cotton; others to washing the cottons with water-wheels which go round with great velocity, but can be stopped in an instant for taking out and putting in the goods. Boiling and bleaching the goods are performed at other works. In short, the extensiveness of the whole concern is such as to find constant

employment for most of the inhabitants of Bury and its neighbourhood, of both sexes and all ages, and, notwithstanding their great number, they have never wanted work even in the most unfavourable times. The peculiar healthiness of the peoples may be imputed partly to the judicious and humane regulations put in force by Mr. Peel."

In 1803 his house is stated to have had 15,000 people in its employ.

The finer qualities of these prints were very expensive to make, as much of the work was done by hand, and whenever possible Peel endeavoured to use machinery and thus decrease the cost of production. He quickly took advantage of Samuel Crompton's wonderful invention in 1779 of the spinning mule, and tried upon two occasions to associate him with his house. Once he offered him a lucrative position and one of dignity and responsibility in his works, and subsequently he offered him a full partnership, but Crompton declined both his advances.

And so Peel grew richer and more powerful alone. Commerce, that broad highway which leads men, as well as nations, to wealth, was the road upon which he travelled every day and which he never forsook. Business was of first importance during the hours which were assigned to it.

But he was a many-sided man, and loved other things as well: a brief description by one of his nephews of his uncle's character throws further light upon his inclinations and activities:—

"'He was,' says Sir Lawrence Peel, 'an ambitious man. He loved money; but he loved it principally as an instrument of power. He was the very reverse of a selfish man. He possessed a genial, generous nature; he loved young people, and loved to see all around him happy. He was eager to diffuse happiness; he was at all times bountiful and munificent in his gifts. As his possessions were great, it was his duty to give largely; but still, even so viewed, his was a bountiful hand. He dealt with money as one who, if he knew its value, with how much toil and anxiety

SIR ROBERT PEEL, Bt. (1750–1830)

From an engraving by H. Robinson after a painting by Sir Thomas Lawrence, P.R.A

it had been won by him, felt also that God had impressed wealth with a trust, and that the trustee must pass his accounts. He gave much, and by preference he gave in secret. He gave also with delicacy of manner, and the nice feelings of a gentleman. His was no narrow or one-sided beneficence. He knew no distinction of politics or creed when a man needed help. He was a moral and religious man. He was grave in exterior, yet humorous, with a quiet relish of fun. He had small respect for a man of idle life —for anyone, in short, who was not useful; and neither fashion nor rank, without good service of some sort, won any allegiance from him. He was the true child of commerce. The productive industry of England, its value and its power—these were his abiding themes."

Public duty sought such a man as Peel, and, feeling that he could assist his country in forwarding the claims of Commerce, he entered Parliament at the age of forty and held his seat for thirty years.

It is unnecessary to detail here Sir Robert Peel's parliamentary career. He was sturdy and true to his principles. He was a merchant before all else—not a petty trader, but a great, broad-minded merchant. He felt that the country should be managed as a great business, on practical lines. He was not a politician, but he was made of the stuff which accomplishes much. His was no bickering, technical mind. His ideas were broad, his foot was planted securely on the ground, he thought well and deeply, he spoke well, and he voted as he believed, with fear or favour toward no man.

His son, born in 1788, who is much better known as a statesman than his merchant father, was from an early age intended and educated for a public career, and was elected a member of Parliament in 1809, when he was but twenty-one years old. He and his father occasionally found themselves on opposite sides in some public question, but each presented his views to the assembled Parliament with that same sterling determination to work and vote for what he believed to be best.

The great merchant-statesman did not retire from public service until he reached his seventieth year, and

from that time he lived quietly at his magnificent home, Drayton Park. As his years increased he resigned more and more of the details of his great business to his sons. He could not be idle, for work had become an inveterate habit. He collected pictures, and spent much time in works of philanthropy, doing without ostentatiousness many acts of great kindness which meant much to those he helped. When he learned that a large cotton house which had long been an active competitor of his own had by disastrous speculations come to the edge of bankruptcy, Sir Robert secretly advanced, without security, a large sum of money which enabled the house to tide over its difficulties. Again a house failed, and its heads, the two sons of a merchant with whom he had had business dealings, lost not only their own fortunes but also the portions of their three sisters. To each of the sisters he sent a large cheque which relieved them of the insistence of the wolf at the door, and he used his influence to re-establish the sons.

Of many such acts of great kindness we may mention one more. A clergyman whom Sir Robert liked well obtained from the Lord Chancellor the promise of a vacant living, but before the promise could be carried out changes took place in the ministry and another man was appointed rector. Thereupon Sir Robert at once purchased the advowson of another equally good living and presented it to the worthy clergyman.

Sir Robert died in his eightieth year surrounded by a happy family of children and grandchildren, and thus closed a beautiful life full of achievement and great success. He was of the kind of stuff which placed the Fugger family in its high place, that made de la Pole, Whittington and Gresham famous. He built from imagination, and he wove into his life the fascinating threads of romance. His was a career that might well inspire young men in any part of the world to exercise the will-power that can make them whatever they choose to be.

XXI

TRADE AND THE ENGLISH ARISTOCRACY[1]

HEN Dr. Johnson was asked to write a funeral sermon for the daughter of a tradesman, and was told that she was remarkable for her humility and condescension to inferiors, he observed "that those were very laudable qualities, but it might not be so easy to discover who the lady's inferiors were." One would hesitate to apply the unpleasant term snob to "the great lexicographer," or to his profound admirer, the genteel Miss Jenkins of Cranford; yet they both undoubtedly possessed that innate respect for rank and position, and that equally innate distrust of anything connected with trade which is a mark of one species of snob. How and when this type of snobbery arose in England is worth a little consideration. To the present generation, accustomed to see a Lipton, a Pink, or a Barker figuring in the Honours List side by side with the advertisements of their groceries, jams, or general goods, the bestowal of a knighthood, baronetcy, or peerage is the natural culmination of a successful business career. Few would ask with Boswell, "What is the reason we are angry at a trader's having opulence?" Nor would many agree with Johnson's reply: "Why, sir, the reason is (though I don't undertake to prove that there is a reason), we see no qualities in trade that should entitle a man to superiority. We are not angry at a

[1] This chapter has been prepared for the author by one thoroughly informed upon this intricate but interesting subject.

soldier's getting riches, because we see that he possesses qualities that we have not. If a man returns from a battle having lost one hand and with the other full of gold, we feel that he deserves the gold; but we cannot think that a fellow by sitting all day at a desk is entitled to get above us. . . . A merchant may perhaps be a man of an enlarged mind, but there is nothing in trade connected with an enlarged mind." At the present time, although our admiration for our soldiers has by no means diminished, and we should be glad—if a trifle surprised—to see their labours rewarded with wealth, we have attained to a higher, not to say juster, appreciation of our traders. Nowadays indeed we approach more nearly to the opinions of the Erewhonians, who held that "He who makes a colossal fortune in the hosiery trade, and by his energy has succeeded in reducing the price of woollen goods by the thousandth part of a penny in the pound, this man is worth ten professional philanthropists. So strongly are the Erewhonians impressed with this, that if a man has made a fortune of over £20,000 a year they exempt him from all taxation, considering him as a work of art and too precious to be meddled with; they say, 'How very much he must have done for society, before society could be prevailed upon to give him so much money'; so magnificent an organization overawes them; they regard it as a thing dropped from heaven."

Probably the plant of anti-trade snobbery flourished most vigorously in the generation which looked up to George IV. as "the First Gentleman in Europe," and in the succeeding period of sham and humbug which has rendered the epithet Victorian a term of abuse. At no other period could Evan Harrington have blushed so confusedly to find himself identified as the son of "the great Mel," that prince of tailors and most magnanimous of snips, as worthy to found a race of gentry as ever was Daniel Byrne, the Dublin tailor from whom the Lords de Tabley drew their descent. Yet even two centuries

and more before this time there were those who would pour derisive contumely on the gentility of a tailor's son. Mr. Oswald Barron, whose knowledge of ancient scandals is as extensive and peculiar as the elder Weller's knowledge of London, has rescued from oblivion the story of the dispute between William Lee, Esquire, and William Exelby, self-styled gentleman, in 1603. That Exelby was a cadet of an ancient family who could trace their line back to Norman days did not save his title of "gentleman" from the scorn of William Lee, in view of the fact that his father was "one Myles commonly soe called a cuttinge tayler dwellinge sometymes in Fletestreate London who by his large bills and small measures grewe into wealth, and being puffed uppe with the same termed himself then as yt was commonly reported Myles the Body Makere, and . . . dyd arrogate this name for his boulstering and bumbastynge out of mens garmentes, whereby he made them rather like monsters than modest men suche as they ought to be, whose proude example the complaynant dothe seeke to followe that the olde proverbe may be still verefied, suche a father suche a sonne. For as the father was of suche mechanicall occupation as is aforesaid so dyd not this defendant ever heare or knowe that the complaynant was ever made a gentleman—either by armes gyven him by the Kinges or Queenes of this realme or ever was by any of them called unto the office or place of a gentleman." It is not uninteresting to notice that in this same year, 1603, the Lord Mayor of London and one of the two sheriffs were both, like Miles Exelby, merchant tailors. The immediate descendants of this Lord Mayor, Sir Robert Lee, married into such aristocratic families as those of Wingfield, FitzWilliam, Shuckburgh, Seymour and Cecil, while the granddaughter of the sheriff, Sir John Swinnerton, brought a fortune of £30,000 to her husband William Dyer, first of the baronets of that name.

A contemporary of the scornful William Lee, Gerard

Malynes, in his *Lex Mercatoria* declares that " the maintenance of Trafficke and Commerce is so pleasant, amiable and acceptable unto all Princes and Potentates that Kings have been and at this day are of the Societie of Merchants. . . . Questionlesse, therefore, the state of a Merchant is of great dignitie and to be cherished." His views had the support of ancient Anglo-Saxon Law by which the merchant who made three trading voyages across the sea was accounted a worthy thane. Still there has always been a prejudice in favour of the landed proprietor as opposed to the man whose wealth came from trade. The prejudice is irrational, for, with the exception of such small holders as use all the produce of their land to feed their own family, the landowner does not live on the land but on the sale of its products, either directly by his bailiffs or indirectly by his tenants. Logically, it is difficult to see any difference between the squire who sells his corn to the corn merchant and the corn merchant who sells it again to the retailers. Take the case of the Berkeleys, an almost unique example of a family that can trace their line back to a pre-Conquest ancestor; it is difficult to make much distinction between Robert FitzHarding, the great Bristol merchant, who entertained King Diarmaid Macmurchada and assisted the conquest of Ireland; Thomas, Lord Berkeley, his descendant, who devoted all his life to the breeding of sheep and the marketing of their wool; or their modern successors who have supplied the London markets with wildfowl from the long-established decoys at Berkeley. Nor is there much to choose between John Strutt of Maldon, miller, and his descendant Lord Rayleigh, who sells the milk from his Essex estates. Even if we make an exception in favour of farming operations as compatible with gentility, we can hardly deny that mining is a trade and that the mine owner, coal merchant or iron master is a trader. Yet not only have peerages, such as the baronies of Rhondda (D. A. Thomas), Swansea (H. Hussey Vivian, 1893), Glanusk (J. R. Bailey, 1899), and

Pontypridd (A. Thomas, 1912) in recent years rewarded the successful exploitation of coal and iron, but from the sixteenth century onwards the names of ancient and aristocratic families who drew large revenues from mining are legion.[1] The Pelhams, ancestors of the Dukes of Newcastle and Earls of Chichester, the Sackvilles, Earls of Dorset, the Ashburnhams, Nevills, Seymours, Lowthers and Dudleys are but a few instances that spring to mind. The fortunes of the Hardys, Earls of Cranbrook, originated in the lucky speculation which put Walter Svanhope's steward, John Hardy (one of whose brothers was a butcher and another a skinner) in possession of Low Moor Iron Works. In Cumberland alone in the eighteenth century we find the four Dukes of Norfolk, Portland, Somerset and Wharton and the Earl of Egremont all busily engaged in the coal trade.

In brief, the line separating the tradesman from the landed gentleman is artificial. But it is, or at any rate was, none the less real, and there is rarely any doubt on which side of the line any particular person falls. Thanks, however, to the fortunate fact that England has been spared the infliction of a "close" aristocracy, which flourished on the Continent[2]—a class into which entry was very difficult and from which exit was hardly possible —the line was constantly being crossed from both sides. Addison, at the beginning of the eighteenth century, protesting against the snobbery of those "who had rather see their children starve like gentlemen than thrive in a trade or profession that is beneath their quality," points out that "It is the happiness of a trading nation like ours that the younger sons, though incapable of any liberal art or profession, may be placed in such a way of life as may perhaps enable them to vie with the best

[1] See, for instance, Lord Middleton's MSS. (Hist. MSS. Reports.)

[2] An interesting exception to the rule which excluded the *roturier* or craftsman from the ranks of the French *noblesse* is found in the *Gentilshommes Verriers* of the sixteenth century, glass-working being apparently considered more of an art than a craft.

of their family." The same point was made epigrammatically by Charles II. when he declared that "the tradesmen were the only gentry in England"; and in the reign of Elizabeth—whose mother was third in descent from Geoffrey Bullen, mercer of London—Harrison wrote that "citizens and burgesses often change estate with gentlemen, as gentlemen do with them, by a mutual conversion of one into the other." And in this chapter, it is our purpose to show that the ranks of the gentry and nobility have been constantly recruited from the trading class, while in its turn trade has attracted to itself members of ancient and aristocratic families.

We hear much nowadays of the breaking up of estates, and their passage from ancient families into the hands of those who have made their money in trade, but this is no new thing, and close on two hundred years ago Defoe exclaimed: "How are the ancient families worn out by time and family misfortunes, and the estates possessed by a new race of tradesmen, grown up into families of gentry, and establish'd by the immense wealth gain'd, as I may say, behind the counter, that is in the shop, the warehouse and the comptinghouse? How are the sons of tradesmen rank'd among the prime of the gentry?" An attempt to prevent this was made in 1559, when certain suggestions for keeping the middle-classes in their proper place were laid before Parliament, one restriction being: "No merchant to purchase above £50 a year of inheritance, except aldermen and sheriffs of London, who, because they approach to the degree of knighthood, may purchase to value of £200." This never became law, nor could it have been enforced if it had been enacted. A good instance of the process may be seen in the case of Sir William Holles, merchant and Mayor of London, founder of the family whose name and fortune descended to the Duke of Newcastle. In his will, made in 1542, he mentions estates bought from Sir Ralph Longford, Sir Edmund Knivett, Sir John Babington, the Earl of Rutland, Sir William Haute, Sir Thomas Elliott and

Sir Richard Cromwell. To attempt to deal with the landed gentry who owe their lands and gentility to wealth acquired in trade is impossible, and it is a sufficiently formidable task to deal adequately with those who, through trade, have attained to titled rank either themselves or in the persons of their immediate descendants.

Possibly the earliest, and certainly one of the most notable instances of this kind, is the case of William de la Pole, the wealthy merchant of Hull who lent King Edward III. vast sums of money, and was in return created a Knight Banneret in 1339, while his son Michael was raised to the peerage as Earl of Suffolk in 1384. In connection with this title it is perhaps worth noticing that the first of the family of Howard upon whom the earldom of Suffolk was conferred (in 1603) married a great-granddaughter of William Stumpe the wealthy Wiltshire clothier, while his descendant, the late earl, married a daughter of a great American business man, Levi Z. Leiter. Stumpe of Malmesbury was only one of a number of men of enterprise who made great fortunes in the cloth trade during the sixteenth century. Most famous of all was John Winchcombe, known to legend as "Jack of Newbury," who is said to have ridden to the field of Flodden at the head of a company of his own clothworkers. His manager, William Dolman, seems to have been the father of that Thomas Dolman who built up a great fortune which no doubt helped to obtain for his grandson the knighthood bestowed on him by Charles II. Spring of Lavenham was another great clothier who joined the ranks of the gentry, his son being lord of eleven manors, and his daughter marrying one of the aristocratic family of de Vere. Humphrey Chetham, again, whose name is still honoured in Manchester, was a clothier, and although he refused a title, when he was sheriff of Lancashire in 1634 many gentry were proud to wear the livery of this erstwhile linendraper's apprentice. The Earls Bathurst trace their origin to a family of Kentish clothiers, as the Earls of Bath traced

theirs to the fourteenth-century draper, Sir John de Pulteney, thrice Mayor of London. Similar but more romantic was the origin of the Osbornes, Dukes of Leeds, the founder of whose fortunes was Edward Osborne, who as an apprentice rescued his master's infant daughter from the Thames and afterwards married her, and became Lord Mayor of London and great-grandfather of the first duke. Another clothworker Lord Mayor was John Robinson, who may have been "a talking, bragging bufflehead," as Pepys called him, but became a baronet in 1662, and married one daughter to Lord Gowran and another to the Earl of Wemyss. The barony of Methuen is held by descendants of West Country clothiers; the Earl of Warwick traces his ancestry to the Grevilles, woolstaplers of Gloucestershire; and the ancestors of the Buxtons were clothiers at Coggeshall, in the early eighteenth century. Nicholas Lawless, who made a fortune in woollen goods in Dublin, was raised to the peerage in 1789 as Lord Cloncurry,[1] and in the present century the heads of firms connected with woollen goods have obtained the baronies of Holden and Hollenden.

It is perhaps permissible to commend the action of Lord Holden in commemorating the origin of his fortunes by assuming as supporters to his arms two rams. In the same way Lord Wimborne points to the activities of the Guests as ironmasters by using two figures of Vulcan and the motto, "Ferro non gladio" (By iron, not by the sword); Lord Armstrong, of armament fame, having two smiths as his supporters, and "Fortis in armis" as his motto. So the supporters of Lord Armitstead's arms

[1] Dublin society appears to have been much scandalized at this ennobling of a tradesman, and it is said that when he went to the theatre to see *Don Quixote*—in one scene of which Sancho Panza is tossed in a blanket—he found in his box the following lines:

> Cloncurry, Cloncurry, don't be in a hurry,
> To see them toss up the poor squire;
> Tho' high he must go, yet we very well know
> Your blankets have tossed you much higher.

are a mechanic and a ship's carpenter; those of Lord Ashcombe, head of the building firm of Cubitt, a mason and a carpenter; and those of Lord Burnham, proprietor of the *Daily Telegraph*, are Clio and Hermes. Rolls of paper figure in the arms of Harmsworth (Lords Northcliffe and Rothermere), a ship in those of Lord Nunburnholme (head of the Wilson Line), and anchors in those of the Cunard baronets, while the ships in the arms of the Fitz-Wygram baronets no doubt refer to their merchant ancestors the Wigrams of Bristol, the prefix Fitz having only been assumed by the second baronet, presumably in allusion to his father having had twenty-three children. Sir James Horlick points to his malted milk with a sheaf of barley and two bulls' heads, and two sprigs of barley in the arms of Sir John Dewar suggest a liquor of greater strength. Lord Joicey bears the miners' picks to which he owes his wealth. Sir James Caird, as a jute manufacturer, puts shuttles on his shield; Sir Frank Bowden, of the Raleigh cycle works, quarters cycle wheels; and Sir Thomas Lipton uses as a crest two arms crossed, holding sprigs of tea and coffee.

With very rare exceptions, the honourable post of Lord Mayor of London has been held ever since its institution by men prominent in some branch of trade; and since the time of Henry VIII. the majority of the holders of that office have received the honour of knighthood, while many have attained in the persons of their descendants to peerages. In the journal of the Duke of Stettin's visit to England in 1602 it is recorded of the Lord Mayor that "If he manages his high office with prudence, so that no riot or tumult arise in the town during the time of his government, he is made a knight when the year has expired, and all his children ennobled." It is interesting to note that Mr. Stapleton has shown that the Lords Abingdon and Beaumont were the actual representatives by descent of Henry Fitz Aylwin, the first Mayor of London, though he can hardly be regarded

as the founder of their families and fortunes. Thomas Leggy, or Legge, Mayor in 1346 and 1353, stands in peerage books at the head of the pedigree of the Earls of Dartmouth, and is confidently asserted to have married Elizabeth, daughter of the Earl of Warwick, a marriage of which he is strangely oblivious in his will. Sir John Coventry, mercer, who was Mayor in 1425, was ancestor of the Earls of Coventry, as Richard Riche, another mercer, who was sheriff in 1441, was ancestor of the Earls of Holland and Warwick; and Sir William Fitz-William, merchant of London, sheriff in 1506, and a faithful friend to Wolsey even after his fall, was ancestor of the Earls FitzWilliam. Another early Mayor was Sir Ralph Verney, mercer, who held office in 1465; his younger son was ancestor of the Sir Ralph who was created a baronet in 1661, his descendants becoming Viscounts Fermanagh and Earls Verney, their name, arms and estates passing, on the extinction of their titles, to Sir Harry Calvert (Verney), whose family had made their money as brewers. Sir Crisp Gascoyne, brewer and Lord Mayor in 1753, figures in the pedigree of Gascoyne-Cecil, Lord Salisbury, and Lord Chaplin, better known as "the Squire of Blankney," descends from the Lord Mayor of 1677. One of the sheriffs in 1534–5, Nicholas Leveson, mercer, was ancestor through a daughter, of the family of Leveson-Gower, now Dukes of Sutherland. Again, the present holder of the dukedom of Northumberland is by male descent a member of the merchant family of Smithson.

Three notable instances of Mayors who made great fortunes and great alliances may be given. Sir William Capell, draper, who was Mayor in 1503 and 1509, at the time of his death in 1515, when he was carried to his grave by six members of the Drapers' Company, was one of the wealthiest citizens of his day; he had married a half-sister of the Earl of Devon, a member of the ancient family of Arundell of Lanherne. and their descendants were the Earls of Essex of the present line, while one of

SIR CRISP GASCOYNE.

their daughters married the Marquess of Winchester and another Lord Zouche of Harringworth. Sir William Craven, merchant tailor, was Lord Mayor in 1611: his son was the first Earl of Craven, while a younger son was the Lord Craven of Ryton who founded at Oxford and Cambridge the scholarships which bear his name; one daughter married Lord Powis and another Lord Coventry. When the first earl, then Lord Craven, was taunted with being an upstart, he replied, "I am William, Lord Craven, my father was Lord Mayor of London, and my grandfather was the Lord knows who." Finally, we may take Sir William Cokayne, skinner, Lord Mayor in 1620. His son was created Viscount Cullen; one daughter married the Earl of Nottingham, another the Earl of Holdernesse, and after his death the Earl of Lindsey; a third married Viscount Fanshawe, another the Earl of Dover, and another Sir Hatton Fermor, whose great-grandson became Earl of Pomfret.

Sir William Cokayne was not only "in the trade of marchaundizing very expert and industrious," and in the art of match-making equally expert, but, as became a governor of the Merchant-Adventurers, he was interested in exploration, and played a large part in financing the Arctic voyages of the famous William Baffin, who named "Cockin's Sound" in Greenland in his honour. In the same way two centuries later, Sir Felix Booth, head of a firm of distillers, created baronet in 1835, provided the funds for Sir John Ross's Arctic expedition, and had his name perpetuated in the inhospitable district called Boothia. The cause of exploration, indeed, as we have seen, has owed much to the stimulus and the resources of trade, and even the voyages of such Elizabethan heroes as Drake, Hawkins and Frobisher were as much trading ventures as joyous piracy.

Although London has naturally supplied the largest number of instances of families rising to greatness by trade, the provinces yield further illustrations of the process. The Earl of Romney is descended from John

Marsham, grocer, mayor of Norwich in 1518, whose shop is known to have been at the corner of St. Andrew's Street next the Strangers' Hall, and the first of the family of Beevor to obtain a baronetcy (in 1784), was also son of a Norwich grocer. Of Lynn four members of the family of Bagge (baronetcy 1867) were mayors, and therefore presumably traders, in the eighteenth century. The pedigree of Lord Berwick begins with Thomas Harwood, a Shropshire merchant, and the first Earl of Ancaster, though he was 24th Baron Willoughby de Cresby in right of his mother, was descended paternally from Gilbert Heathcote, merchant, of Chesterfield. Another of Gilbert's merchant sons made a fortune in the Baltic and founded the line of the Baronets Heathcote. The Alexanders also, baronets and earls of Caledon, trace their origin to a line of ancestors who were merchants in Londonderry and Dublin from 1660 to 1800. The baronetcies of Arbuthnot, Buchanan and Clarke-Travers originate in merchants at Edinburgh, Glasgow and Cork respectively. As might be expected, Scottish traders have obtained their share of wealth and honours, even in their own country. Sir George Warrender, merchant and Lord Provost of Edinburgh, obtained a baronetcy in 1715 which is still held by his descendants; and although the first Gibson Craig to be created baronet (in 1831) was himself a lawyer, his father, father-in-law and one brother were merchants in Edinburgh, and two other brothers were merchants in Dantzic.

About the time that the Stuarts ascended the throne of England, one Henry Hope was trading between Edinburgh and Amsterdam with much profit to himself; his eldest son became the first baronet of that line in 1628, and had the unusual experience of pleading as Lord Advocate before two of his own sons who were Lords of Session, the younger of these sons being ancestor of the Marquess of Linlithgow. A younger son of Henry Hope founded the well-known family of Beresford-Hope. Another Scottish merchant who was flourishing about

the time when Jack of Newbury led his clothiers to Flodden, was James Wedderburn of Dundee, from whom spring the Baronets Wedderburn and Halkett, and that adventurous nobleman the Earl of Rosslyn, one of the few peers whose connection with the stage has been personal, and not only by marriage. General Sir Thomas Munro, Governor of Madras, created a baronet in 1825, was the son of a Glasgow merchant, and Sir Thomas Reid, chairman of the East India Company, who received a baronetcy in 1823, was son of a merchant of Dumfries. From Glasgow also came the family of Sir Thomas Leighton of Dublin, banker and baronet (1797). Another Dublin banker, Ponsonby Shaw, son of a merchant in that city, was uncle of Captain Shaw of fire-brigade fame,[1] and brother of Sir Robert, created a baronet in 1821 for his parliamentary services. Sir John Ennis, created baronet in 1866, was a Dublin merchant, as were the father and grandfather of Sir Riggs Falkiner, first baronet of his line (1777); while the first Lord Annaly, ennobled in 1863, was the son of the celebrated Luke White, bookseller and latterly office-keeper in Dublin, who is said to have realized the largest fortune ever made by trade in Ireland. He once kept a second-hand bookstall on Essex Bridge, near the Castle. William Clarke of Cork, merchant, who married in 1761 the daughter of a fellow-merchant, was father of General Clarke, who raised the 84th (York and Lancaster) Regiment and obtained a baronetcy in 1804, since which time the family have divided their services between the Church and the Army, the present baronet, son of the rector of Compton Bassett, having given his two sons in the cause of his country during the European War. Even the Prestons, ancestors of Lord Gormanston, seem to have been burgesses of Drogheda originally, though they

[1] Sir William Gilbert in the fairy's song in *Iolanthe* used Captain Shaw as the "type of true love kept under" in contrast to the "amorous dove, type of Ovidius Naso": it is a rather amusing coincidence that Captain Shaw married Anna Dove.

had attained to knightly rank by the middle of the fourteenth century.

In the far north Newcastle and Gateshead from mayors and aldermen bred peers, baronets and squires. The Earls of Ravensworth are directly descended from Thomas Liddell, a Newcastle alderman, both of whose wives were themselves daughters of Newcastle aldermen, as also were those of his three sons. Of these the eldest was of Ravensworth Castle, once a stately seat of the Lumleys, which the family had purchased in 1607. In 1642 he acquired the usual baronetcy "for his gallant defence," says *Burke's Peerage*, "of Newcastle against the Scots." Unluckily that gallant defence, whatever the part he may have taken in it at his advanced age, appears in history under the date of 1644. To those who know that at the time of his creation baronetcies were being hawked about at a few hundred pounds apiece, a less romantic explanation may appear more probable. His eldest son was the ancestor of the Lords, now Earls, of Ravensworth, but his second son was sheriff of Newcastle in 1640 and mayor in 1664. The name indeed is still found there; in the High Street of Gateshead the ground floor of a charming old house of the seventeenth century is, or was, partly occupied by a shop bearing above it the name of "Liddell, Confectioner."

In 1626 a daughter of the first baronet became the wife of Nicholas Cole, sheriff of Newcastle in 1640 and 1641; and subsequently thrice its mayor, who early in the latter year obtained the inevitable baronetcy, his father having purchased and settled upon him, five years before, a more famous seat than Ravensworth, Brancepeth,[1] the historic stronghold of the Nevills in the palatinate

[1] Brancepeth is now held by Viscount Boyne, to whom it came through marriage with the granddaughter of William Russell, who "commenced his fortunate career at Sunderland as a general merchant," became a banker and was, at his death in 1817, one of the richest commoners in England.

of Durham. This father had held the mayoralty in 1633, a man "fat and rich, vested in a sack of satin." He was the grandson of a Gateshead blacksmith, who had died, under Queen Elizabeth, half a century before. To the Coles, Brancepeth Castle proved a *damnosa hereditas;* the second baronet sold the place in 1701, and the fourth died in poverty at Durham in 1720. His father, Nicholas, Mayor of Newcastle in 1686, had married a daughter of yet another of these Newcastle baronets, Sir Mark Milbank, so created in 1661. Sir Mark's father, sheriff of Newcastle in 1638 and mayor in 1658 and 1672, had been a merchant there, and had added to his wealth by marrying one of the good-looking daughters—"Cock's canny hinnies"—of Ralph Cock, an alderman and rich merchant of Newcastle, whose decayed mansion is still to be seen at the foot of "Cock's chare" on the quayside. Sir Mark's son, who married a descendant of Newcastle mayors, was ancestor of Sir Ralph, the sixth baronet, whose daughter and heir, Baroness Wentworth, married Lord Byron, the poet's honeymoon being spent at Halnaby, a seat of her ancestor, the Newcastle alderman Mark Milbank. The Milbankes of Thorp Perrow descend from a son of the first baronet, who married the daughter and heir of Timothy Robson, Mayor of Newcastle. Yet another territorial family is that of the Ellisons of Hebburn, whose ancestors were for three generations merchant-adventurers of Newcastle, Robert Ellison becoming governor of the Company in 1676. They afterwards acquired with an heiress the old park at Gateshead, where Park House was of their building. In 1870 Hebburn, which they had purchased under Cromwell, passed to Mr. Carr of Dunston Hill, Gateshead, whose mother was an Ellison and whose forefather, Mr. Ralph Carr, a merchant and general shipping agent, had a great commercial connection abroad in the eighteenth century, when "the shipping trade of Newcastle exceeded that of any other provincial port in England."

Among the Yorkshire merchants whose descendants joined the ranks of the gentry, mention may be made of Richard Thompson of Scarborough, who flourished in the first half of the seventeenth century. Four of his sons were merchants, two of them holding the office of Lord Mayor of York; of these two the elder was ancestor of Lord Wenlock and of General Wolfe of Quebec, while the descendants of the younger intermarried with the noble families of Percy and Fitzwilliam; the families founded by the other two sons each obtained a baronetcy in the nineteenth century. The Marquess of Ripon traces his descent from William Robinson, a Hamburg merchant and Lord Mayor of York in 1581, whose great-grandson, a Turkey merchant, was father of Sir William Robinson, Lord Mayor of York, created a baronet in 1690. The baronetcy of Sykes, chiefly associated with the name of the sporting Sir Tatton, is almost unique in having been first bestowed upon a clergyman, the Rev. Mark Sykes, Vicar of Roos in 1783; but it is possible that his clerical virtues played a smaller part in its acquisition than did the wealth inherited from his father, a rich merchant of Hull. On the other hand, the Sitwell baronets owe less to their ancestor Jonathan Hurt, mercer and draper of Sheffield, than to his wife, the heir of the family of Sitwell, whose name and estate they still hold. The Milners were cloth-workers at Leeds for at least two generations before William Milner became M.P., Grand Master of Freemasons, son-in-law to an archbishop, and a baronet; and Sir Henry Ibbetson, though his baronetcy was the reward of his energetic loyalty at the time of the Jacobite rising of 1745, traced his origin to another Leeds clothier. Down in the West Country the Goldneys were clothiers in the seventeenth and eighteenth centuries in that same town of Chippenham of which their descendant, the first baronet, was mayor in 1863. Another West Country mayor, George Buck, merchant and seven times mayor of Bideford, figures at the head of the pedigree of the Stucley baronets,

SIR MATTHEW WOOD, M.P.

TWICE LORD MAYOR OF LONDON, 1815 AND 1816

From a stipple engraving by Cooper after a painting by Devis

though they have changed their patronymic for that of the gentle, territorial house of Stucley, which they represent in the female line. Lord Stratford de Redcliffe commemorated in his title his claim to be descended from the famous Canynges, merchants of Redcliffe (Bristol), though he was himself the son of a London merchant. The first Elton baronet (1717) was mayor of Bristol, and Sir John Duntze, created a baronet in 1774, was a merchant of Exeter and M.P. for Tiverton.

In Tiverton at the end of the eighteenth century there was a serge manufacturer, William Wood by name, whose sons seem to have gone into business in London, Liverpool and Dublin; of these the eldest, Matthew, set up in London as a chemist, but subsequently became a hop merchant, in which trade he prospered, being Lord Mayor in 1816 and M.P. for the City for nearly thirty years. It was, however, as the champion of the ill-used Queen Caroline that he earned most fame, and it was not unfitting that his baronetcy in 1837 was the first title bestowed by the young Queen Victoria. Of Sir Matthew's two sons the elder, who had been chaplain to Queen Caroline, continued the line of baronets, while the younger in 1868 became Lord Chancellor with the title of Baron Hatherley. Three other notable Lord Chancellors who sprang from trading families may be mentioned. Lord King (Lord Chancellor 1725–1733) was the son of an Exeter grocer, and John Scott, first Earl of Eldon, one of the greatest lawyers of his time, Lord Chancellor for the first quarter of the nineteenth century, was son of a Newcastle coal merchant, and assisted his own fortunes by marrying the daughter of a wealthy banker. Lord Cowper, first Lord Chancellor of Great Britain (in 1707) was less directly connected with trade, but his great-grandfather, who died in 1642, was a dyer in London. Not only the highest legal position but also the greatest political eminence has been attained by men sprung

from the ranks of the traders. The great Earl of Chatham, famous father of an even more famous son, was grandson of Thomas Pitt, a mercantile genius who competed single handed with the East India Company and specialized in diamonds, and through whose hands the "Pitt diamond" (valued at something like half a million sterling) passed into the treasury of the kings of France. Sir Robert Peel, as we see in another chapter, first baronet and father of the statesman who gave England her police and her Free Trade, was an enterprising and enlightened manufacturer, as befitted the son of the man who virtually founded the Lancashire cotton trade. The Peels were among the first manufacturers fully to appreciate the inventions of Arkwright and of his partner Jedediah Strutt, ancestor of Lord Belper. That "Grand Old Man," William Ewart Gladstone, one of the political giants of Victoria's reign, was grandson of Thomas Gladstone, merchant of Leith, and son of Sir John Gladstone of Liverpool, who made a fortune by trading with the East and West Indies. His great antagonist, the brilliant, inscrutable Benjamin Disraeli, Earl of Beaconsfield, whose ambitions and writings were of the most aristocratic and blue-blooded type, was grandson of a Jewish shopkeeper of Venice who settled in London about 1750.

Among the foreign traders who, like Benjamin Disraeli, have risen to distinction in the land of their adoption, mention may be made of Sir John Brunner (baronet 1895), son of a Swiss pastor, who, in conjunction with Dr. Ludwig Mond and his son, the present Sir Alfred Mond (baronet 1910), has done so much for commercial chemistry in England. The baronetcies bestowed in 1890 and 1909 upon members of the Indian Jewish family of Sassoon may be considered as part of a group which began with the granting of a similar honour to the wealthy Parsee merchant and philanthropist, Sir Jamsetjee Jejeebhoy in 1857, followed by Sir Dinshaw Manockjee Petit in 1890, and Sir Cowasjee Jehangir in

PETER LORD CHANCELLOR KING

From an old engraving

1908. Schuster, Waechter, Wernher, Montefiore and Goldsmid also figure on the roll of baronets among the merchants and financiers of foreign and Jewish extraction, at the head of which stands the great name of Rothschild. The founder of this world-famous house was Mayer Anselm Rothschild, a banker and moneylender of Frankfort-on-Maine; of his sons, who all possessed financial genius, one settled in Vienna, another in Paris, and a third, Nathan Meyer, in London, becoming naturalized in 1804. Nathan devoted his abilities to the accumulation of wealth, and never cared to use the title of Baron of the Austrian Empire, which was conferred on him in 1822. His sons, however, while not relaxing their efforts in financial directions, assumed the title of baron, and of these sons Baron Anthony was created a baronet in 1847; Baron Lionel, the first Member of Parliament of the Jewish persuasion, was father of the second baronet, raised to the peerage as Lord Rothschild of Tring in 1885; and Baron Meyer, of Mentmore, was father of Hannah, who married the statesman the fifth Earl of Rosebery. Various members of the English house of Rothschild have intermarried with members of the continental branches, and the control exercised over European finance by this family is a matter on which much could be written by those in a position to know the facts.

A family which at one time rivalled the Rothschilds in the world of finance and, like them, came out of Germany, is that of Baring. John Baring, son of a Lutheran minister of Bremen, settled at Larkbeer in Devon as a cloth manufacturer; his descendants at the present time hold two earldoms, two baronies, and a baronetcy. John Baring's son, Francis, came up to London and became the greatest merchant of his day, obtaining a baronetcy in 1793, and at the time of his death in 1810 leaving a fortune of over a million, a figure far more remarkable in those days than at the present time. Of the sons of Sir Francis Baring, the eldest,

Thomas, was father of the first Baron Northbrook, whose son became Earl of Northbrook in 1876; the second, Alexander, under whose direction the firm of Baring Bros. became "one of the six powers of Europe," was raised to the peerage as Lord Ashburton in 1835; from the third son, Henry, are descended the Earl of Cromer, Lord Revelstoke and Sir Godfrey Baring (baronet 1911). Sir Francis, it may be observed, received his commercial training under Clement Boehm, a naturalized Hamburg merchant who married Anne, daughter of Fisher Dilke, skinner, by Anne Trafford, whose ancestors were merchants; on the strength of this descent the Boehms, who acquired estates in Norfolk, adopted the name of Trafford, and Burke in his *Landed Gentry* proclaimed them "a branch of the old and knightly family of Trafford."

Another striking instance of "trading families laying the foundation of nobility by their wealth and opulence" is recorded by Defoe in the case of "Mr. Child, for example, afterwards Sir Josiah Child, whose posterity by his two daughters are now (1726) Dukes of Beaufort and of Bedford, and his grandson Lord Viscount Castlemain, and yet he himself began a mean tradesman and in circumstances very mean." Josiah Child, as we see in another chapter, was the son of a London merchant, a cadet of a good Worcestershire family. He obtained a baronetcy in 1678, was chairman and practically dictator of the East India Company, and was able to give a dower of £50,000 with his daughter when she married the eldest son of the Duke of Beaufort. Sir Josiah himself married as his third wife the widow of Sir Thomas Willoughby of Wollaton; their son Richard, who succeeded to the baronetcy on his father's death in 1699, married the heiress of Francis Tilney and was created Baron Newton and Castlemaine in 1718 and Earl Tylney in 1732. Josiah's brother Francis, goldsmith, in 1690 founded the oldest English bank; his eventual heiress eloped in 1804 with the Earl of Westmoreland, and their

SIR THOMAS SMITH

From an engraving

daughter married George Villiers, fifth Earl of Jersey, to the considerable enrichment of that earldom. Nearly a century earlier than Josiah Child, there was living in London a merchant tailor who was destined to be the root from which sprang a family tree of surprising fruitfulness. Gerard Gore, at the time of his death at the age of ninety-one in 1607, left seven sons, of whom six appear to have been merchants. From his fourth son, John, are descended the Earls Temple of Stowe; from the youngest, Sir Paul, come the Earls of Arran and the baronets Gore, Gore-Booth and Knox-Gore. Moreover, the earldom of Ross and the barony of Annaly, both extinct, were held for a time by members of this family, as is at present the barony of Harlech.

"A respectable draper at Nottingham" whose descendants were bankers, founded a family of which most of the branches appear to have regarded the honest name of Smith as insufficiently genteel; one branch changed it for Carrington, and in that guise attained to the marquisate of Lincolnshire, a second adopted Pauncefote for its name and title, while a third, with a baronetcy, became Bromley, a fourth being the Dorien-Smiths. Another Smith, a haberdasher in Elizabeth's reign, had thirteen children, of whom the eldest, John, was knighted and was father to the first Viscount Strangford; while the third son, Sir Thomas Smith, haberdasher and skinner, was "Governor of the East Indian, Moscovia, French and Sommerland Companies; treasurer for the Virginian Plantation, Prime Undertaker (in the year 1612) for that noble designe, the discoverie of the north-west passage; Principal Commissioner for the London expedition against the pirates and for a voiage to the ryver Senega upon the coast of Africa; one of the chief commissioners for the Navie Roial and some tyme ambassadour from the Matie. of Gr. Brit. to the Emperour and Great Duke of Russia and Muscovia, etc." The widow of this merchant of many enterprises married Robert Sydney, Earl of Leicester; his eldest son, Sir John Smith,

in 1618 married a daughter of Robert Rich, Earl of Warwick (himself the descendant, as already mentioned, of a Lord Mayor), and had a son who married Dorothy Spencer, Countess of Sunderland (known to fame as the poet Waller's "Sacharissa"), and a daughter who married Lord Robartes, from whom came the Earls of Radnor (extinct 1764) and the present Viscount Clifden. A third notable Smith was W. H. Smith, who led the Conservative Party in the House of Commons under the premiership of Lord Salisbury; his political services gained for his widow and so, on her death in 1913, for his son, the viscounty of Hambleden, which "Old Morality" himself never cared to accept; but it was from his business as stationer and his monopoly of railway bookstalls that the wealth to support that dignity was derived. Among Mr. Smith's political contemporaries Sir Henry Campbell-Bannerman drew his wealth from a great dry goods store in Glasgow; Sir Michael Hicks-Beach, now Lord St. Aldwyn, descends from the elder son of Robert Hicks, merchant of Bristol and London, whose younger son, Sir Baptist Hicks, Viscount Campden (said to have been the first baronet to remain in trade), was ancestor to the Earls of Gainsborough; and Lord Goschen, the grandson of a publisher in Leipsic, was himself a banker.

It is natural that banking and the allied mysterious operations known as "Finance"—a form of trading without goods, a sort of intensive culture of the golden geese—should yield not only wealth but honours. An early instance is the bestowal of the earldom of Middlesex upon Lionel Cranfield, merchant, in 1622, as a reward for his financial services to the Government. Although Child's Bank has the longest continuous pedigree of any English bank, dating from 1690, the firm of Coutts might seem a close rival, from the date 1692, which appears on all their cheques; at this date, however, the family of Coutts were merchants and traders in Edinburgh, and it was not until the middle of the next century that

LIONEL CRANFIELD, EARL of MIDDLESEX,

From a fine Miniature by O. Humphry Esq.r R.A.

taken from the Original at Knowle.

THOMAS COUTTS

From an engraving by R. W. Sivier of an oil painting by Sir W. Beechey, R.A.

Thomas Coutts founded the famous bank. Thomas married Harriott Mellon, the actress, to whom he left most of his fortune, a fact which perhaps assisted her subsequent marriage to the Duke of St. Albans. Sophia, the banker's youngest daughter, married Sir Francis Burdett, fifth baronet of an ancient house, and of their children one daughter became the mother of the present Lord Latymer and the youngest daughter Angela, to whom the jolly, vulgar, swearing old Duchess of St. Albans left her wealth, was the famous Baroness Burdett-Coutts. Another old bank, Martin's, has recently brought its chairman a baronetcy, and similar honours were bestowed in 1759 upon Sir Richard Glyn, alderman and banker of London; in 1786 upon James Hunter-Blair, banker and Lord Provost of Edinburgh; in 1821 upon Claude Scott of Lytchett Minster, banker of Westminster; and in 1838 upon Benjamin Heywood, son and successor of a banker in Manchester, whose forbears were merchants in Drogheda and Liverpool. In recent times the baronies of Aldenham, Avebury, Wolverton, Swaythling, Michelham, Wandsworth and Peckover have all been bestowed upon men who have made their money as bankers or financiers. The last-named, Lord Peckover, is a partner in the firm which bears the name of the respected but not ennobled family of Gurney of Norfolk, who may be a branch of the great Norman house of Gournay, but certainly spring from John Gurney, cordwainer, born in 1655, apprenticed in Norwich, and prominent as a Quaker, to which persuasion his descendants have remained faithful. Closely associated with the Gurneys was another Quaker banking family of Hoare, one branch of which obtained a baronetcy in 1786.

The commercial ability displayed by many Quaker houses is notable and may be not entirely unconnected with the conscientiousness and sobriety enjoined by their tenets, to which may also be due the comparatively large number of wealthy traders of this community (such as

the Barclays, the Cadburys, Frys and Rowntrees) who have hitherto contrived to avoid titles. The first Quaker baronetcy appears to have been that bestowed in 1882 upon Joseph Pease, for Sir Thomas Fowell Buxton, partner in Truman, Hanbury and Co.'s brewery, who was created a baronet in 1840 for his advocacy of the abolition of slavery, although his mother was a member of a Quaker community (from which she was expelled for frivolity and for marrying one not a Friend), did not hold that form of faith himself. A century earlier, in 1732, John Barnard, a Quaker, son of a wine merchant and himself interested in that trade, Member for the City, and Lord Mayor, was knighted; his daughter married Henry Temple and so became grandmother of the Victorian statesman Viscount Palmerston.

The fortunes of the Winn family, now represented in the peerage by Lord Headley and Lord St. Oswald, were founded by a wine merchant; the Colliers were established as wine merchants in Plymouth long before law and politics brought them the barony of Monkswell; and the baronetcy of Shaw of Eltham was conferred by Charles II., in return for large sums lent him during his exile, upon the son of John Shaw, vintner. The allied source of wealth which arrogates to itself the proud title of "The Trade" has procured in recent years so many honours as to cause its enemies to suggest that the peerage should be rechristened the "Beerage."[1] Lords Ardilaun, Iveagh, Burton and Hindlip are the chief instances of ennobled brewers. The baronetcy conferred on

[1] It would be interesting to know who originated this term. It is said that during a riotous celebration of "Kitchen Lancers" at a county ball, Miss Bass (afterwards Baroness Burton) was tossed from the fray into the circle of spectators. One of these, having somewhat too audibly commented: "Not quite Vere de Vere!" was crushed by the young lady's retort: "No, because it's Beer de Beer!" She is the only child of the late Lord Burton (head of Bass's Brewery Co.), and succeeded to her father's title under a special remainder.

Henry Meux, founder of another well-known brewery and descendant of a London mercer, is extinct, but the name and wealth of Meux have passed to Admiral Sir Hedworth Meux (Lambton), brother of the Earl of Durham, by bequest from Lady Meux, widow of the last baronet. Mention has already been made of the Buxtons, descendants of Essex clothiers, as brewers, and their partners the Hanburys, it may be noted, claim to be of the same stock as the Barons Bateman and Sudeley, other members of the family pandering to the drinking propensities of infants as manufacturers of Allen and Hanbury's baby foods. Tobacco, the natural concomitant of beer, has recently brought a peerage and two baronetcies to the family of Wills, and in the eighteenth century played a considerable part in the enrichment of Joshua Vanneck, the wealthy London merchant whose descendant is the present Lord Huntingfield.

The obscurity which usually surrounds the fate of younger sons in English social history makes it far less easy to trace the cases of cadets of good family who have adopted a trading career than to name those of families whose fortunes were acquired in commerce. A good instance, however, of the absence of any social barrier between merchants and great landowners is afforded by the ancient and famous territorial house of the Lowthers of Lowther Castle, now Earls of Lonsdale. Sir Christopher Lowther, the head of the house, who was succeeded by his son Sir John, in 1617 had a younger son Robert, who became a merchant at Leeds and afterwards a London draper and an alderman. His grandson was made a baronet in 1697, but the title became extinct in the middle of the eighteenth century. The eldest brother, Sir John Lowther's eldest son, Sir John, married a daughter of Sir Richard Fletcher, a wealthy Cockermouth merchant, of whom we shall speak below, and was grandfather by her of the first Viscount Lonsdale. But their third son, Richard, became a "Turkey

merchant,"[1] a branch of trade then, apparently, favoured by the sons of gentlemen. This Richard was grandfather of the first Earl of Lonsdale. His brother Christopher also became a "Turkey merchant," and yet another of the younger sons became a merchant in London. The present Earls of Lonsdale, however, descend from an uncle of these cadets, who married the daughter of a Leeds merchant. Their grandson was created a baronet in 1764, and his son received the earldom in 1807.

Sir Richard Fletcher, of whom we have spoken, was the third or fourth in succession of a family of Cockermouth merchants, and increased their wealth sufficiently to buy Hutton-in-the-Forest in 1605. From his younger brother Philip descend the Fletchers (now Aubrey-Fletchers), created baronets in 1782. Sir Richard's son was made a baronet in 1640. Lionel Vane of Long Newton married his granddaughter and heiress, and from their youngest son Walter descend the Fletcher-Vanes of Hutton-in-the-Forest, to whom a fresh baronetcy was given in 1786. Their eldest son, George Vane, was the father of Henry of Long Newton, who married a Tempest and was made a baronet in 1782. From his daughter and heir descend the Marquesses of Londonderry.

The Knightleys of Fawsley, whose quartered shield was the glory of their stately hall, numbered among their cadets in the seventeenth century merchants and even tradesmen. They were not, it is true, to be found in "Burke," but the truthful and exact pedigree by Mr. Oswald Barron in *Northamptonshire Families* (Victoria County Histories) shows us that though Sir Richard Knightley, the very wealthy head of the house under Queen Elizabeth, married a daughter of the Protector Somerset "it is strange to note that in but four generations her numerous Knightley descendants end in obscure

[1] Turkey merchants occur as ancestors to the Earls of Radnor, Lord Lambourne and the Baronets Dashwood; the Hennikers, peers and baronets, descend from a Russian merchant, Lord Cottesloe from a Lisbon merchant, and the Kinloch baronets from a merchant at Rochelle.

London tradesmen . . . drapers and oilmen outside the city gates." But, apart from this, Edward Knightley of Burgh Hall and of Fawsley had for his mother a brewer's daughter, was himself a skinner in London, and had a linendraper for his father-in-law. Another of his father's brothers was a linendraper in Fleet Street, while Richard of Fawsley's second son was a Hamburg merchant. So was the Knightley who succeeded to Fawsley in 1695, and whose father, citizen and merchant of London, had married an alderman's daughter. That strange survival of feudal times, the office of King's Champion, has been held by the Dymokes of Scrivelsby for nearly six centuries; but it is little if at all known that the cadet who succeeded to Scrivelsby in 1760, and whose son rode as "champion" at George III.'s coronation, had been in partnership with his brother as a hatter in London, or that on the extinction of his line in 1875 Scrivelsby passed to the descendant of a Lincoln mercer, the heir male of his ancient line.

The most famous of all merchants and Mayors of London, Richard Whittington, was the son of Sir William Whittington, a member of an old Gloucestershire family. Sir Michael Dormer, mercer and Mayor in 1541, was a cadet of the knightly family from which the Lords Dormer descend, and in the same way the Mayor of 1464, Ralph Jocelyn, draper and Knight of the Bath, was a member of the ancient family now represented by the Earl of Roden. The first Lord North, raised to the peerage in 1554, was himself the son of a merchant, and Dudley, a younger son of the fourth Lord North, went into trade as a Turkey merchant, in which he was more successful than honest, obtained a knighthood in 1682 and became financial leader of the House of Commons under James II. One of the earliest baronetcies was that conferred on James Harington in 1611; his elder brother was Lord Harington, and his sister married a Spanish duke and is said to have been grandmother of a queen of Portugal. The third son of the third baronet was a

merchant in London, and his grandson became sixth baronet and was ancestor of the present twelfth baronet. In the same way the third son of the first baronet of the ancient house of Menzies was a merchant at Edinburgh, and his son succeeded as fourth baronet; so again in the case of Maxwell of Lanark, the third son of the fourth baronet was a merchant at Leith, and married the daughter of an Edinburgh merchant; but their son, General Maxwell, taken prisoner at Saratoga, was eventually seventh baronet. In the case of the Heron-Maxwell baronetcy, the successor of the first baronet, whose grandfather and great-grandfather had been ministers, was the son of his uncle Zachary Maxwell, merchant of Glasgow. Instances of cadets of gentle or noble families taking to trade are particularly frequent in Scotland. Besides those just mentioned we find Sir Lewis Mackenzie, third baronet, on his death in 1756, leaving three sons, of whom the eldest, Roderick, succeeded him; the second, Colin, was a merchant in London; and the third was colonel of the 72nd; but it is from the merchant that the present baronet descends. Archibald Lyon, younger son of Lord Glamis, about 1500 became the founder of a family of merchants in Glasgow; John Sinclair, merchant of Edinburgh, who bought the lands and barony of Stevenson and was created a baronet of Nova Scotia in 1636, was apparently descended from that Sir William Sinclair who heads the pedigree of the Earl of Caithness; the Drummonds of banking fame are among the innumerable collaterals of the Earl of Perth; and a brother and two sons of the eighth Hope baronet were merchants in Edinburgh. Sir James Michael de Bathe, created a baronet in 1801, descended from Sir Richard de Bathe, Lord of Rathfagh, but with several intervening generations of Drogheda merchants, who bore the simple name of Bath. The Thorolds of Lincolnshire trace their pedigree back to the days of Edward III. at least, but a younger branch were merchants in London in the seventeenth and eighteenth centuries. In Leicestershire

the Turners were landed gentry of long descent but no great wealth until they moved to London and went into trade, when their efforts were rewarded by continually increasing fortunes, which accumulated in the hands of Sir Edward Page Turner, baronet (1733); his son re-established the family as gentry in Northamptonshire, and their baronetcy eventually passed to the family of Dryden. Sir Charles Rugge-Price, baronet (1804), his brother, two of his sons and a grandson all held the post of Master of the Ironmongers' Company between 1772 and 1878; but they descended from Cadwallader ap Morris Gethin of Voelas, *c.* 1550, and could show a pedigree with a further fourteen generations on which it would be rash to comment. Richard Bennet, whose blood flows in the veins of the Earls of Tankerville and of Arlington and the Barons Ossulston, had a younger brother, Thomas, who was Lord Mayor of London in 1604, a mercer and father of merchant sons. Sir John Marjoribanks, baronet, had four sons, of whom the youngest was a merchant in London and held what must have been one of the shortest-lived peerages on record, for it was created on 12th June, 1873, and became extinct exactly a week later, on 19th June, on the death of Lord Marjoribanks.

The family of Weld, possibly descended from William Wilde, sheriff of London in 1353, and impossibly derived from that picturesque Saxon Edric the Wild, was settled at Eaton in Cheshire before the time of Elizabeth. One branch remained on the land; another, the Welds of Willey, now represented by Lord Forester, derived from John Weld, haberdasher of London, and his brother, Sir Humphrey, was a grocer and Lord Mayor in 1609. Sir Humphrey's first wife was a daughter of a goldsmith, and his second the daughter of a skinner, but his children reverted to the ranks of the landed gentry, his heir, Sir John Weld, marrying Frances, sister of the wife of Sir William Craven and daughter of William Whitmore, a merchant but a member of a family

claiming as long a pedigree as the Welds. The Duncombes of Buckinghamshire were another landed family of which the elder branch remained gentry, being afterwards represented by the Pauncefort-Duncombe baronets, while a cadet went into trade. Charles Duncombe, goldsmith, to whom James II. applied in vain for a loan of £1500 "to carry him over sea," accumulated wealth by consistent sharp practice, culminating in forgery, from the consequences of which he only escaped owing to technical legal reasons; but he was able to spend £90,000 on the Yorkshire estate of Helmsley, once held by the great Fairfax and the brilliant Duke of Buckingham, and on his death in 1711 he was reputed the richest commoner in England, and left £200,000 to his niece, the Duchess of Argyle. From his sister, who had married a London merchant, descends the present Earl of Feversham.

Instances of members of noble families marrying heiresses of traders have already been given in abundance; but an early case which has not been mentioned is that of the daughter of Sir John Spencer, cloth-worker and Levant merchant, Lord Mayor in 1594, who married the second Lord Compton, afterwards first Earl of Northampton. Mention may also be made of the death of Viscountess Faulkland in 1722, for *Musgrave's Obituary* records that "she was daughter to Mr. Molineux, late woollen draper of St. Paul's Churchyard," where woollen drapers still do congregate. Examples of traders marrying noble heiresses are not quite so common, but a good instance is to be found in the case of the Brands, who were mercers and traders until about 1720, when Thomas Brand married the Lady Dacre, representative of a score of ancient families, and became Lord Dacre, a title now borne by his descendant Viscount Hampden.

It is surely unnecessary to labour the point of the intimate connection between trade and nobility at the present time, when our roads are scoured by motor-cars built by the firm founded by the Hon. C. S. Rolls, son

SPEAKER BRAND, VISCOUNT HAMPDEN

From an oil painting by Wynn H. Watkins, in the possession of W. Greaves-Lord, Esq.

of the first Lord Llangattock, and our seas are swept by vessels fitted with turbines invented and manufactured by Sir Charles Parsons, son of the Earl of Rosse, when our women folk purchase their hats from millinery shops run by ladies of title, and our own pockets are filled or depleted by innumerable companies all provided with titled directors. There is significance in the fact that the peerages start alphabetically with Lord Aberconway, who is not only a K.C. but also a director of one railway and four coal and iron companies. Enough has been said to establish our contention that of the three chief sources from which our nobility and gentry are recruited —military, legal and commercial—commercial services are, and have long been, considered as honourable, as profitable to the country, and as worthy of reward as services rendered on the field or in the court.

" All this confirms what I have said before, viz. that trade in England neither is nor ought to be levell'd with what it is in other countries, or the tradesmen depreciated as they are abroad, and as some of our gentry would pretend to do in England ; but that, as many of our best families rose from trade, so many branches of the best families in England . . . have stoop'd so low as to be put apprentices to tradesmen in London, and to set up and follow those trades when they have come out of their times, and have thought it no dishonour to their blood."[1]

[1] Defoe, *The Complete English Tradesman* (1726), p. 379.

XXII

THE HUDSON'S BAY COMPANY

I

OR various reasons, individual businesses do not usually survive many generations. We have seen the commercial monument built by de la Pole disappear on the death of his son, and the great businesses of Whittington, of Gresham, of Peel, of all the giants of commerce in Venice, Florence and Augsburg either die with their creators, or continue for a time only. The enormous business seems to grow, and then die much like the giant oak; it does not appear to be possible so to construct it, to surround it with safeguards and bulwarks, or so to organize it that ability, energy and perseverance shall always continue in control.

The uncertain quantity is human nature. To the man who builds, delight lies in the building. To his son or successor and to his son's son the pleasure must lie in maintaining, in increasing, in strengthening. But inherited wealth and virility do not long, as a rule, continue as partners; they sooner or later always part company. The controller of the business may be, and often is, foolish, weak, or lazy, easily satisfied, or unprogressive, dissipated, or unambitious, and the business is soon outrun or outgeneralled by its ubiquitous competitors and finally disappears. This is the rule, but one of the exceptions, which are so few as to be wonderfully conspicuous, is the subject of this chapter.

The oldest commercial company in existence is the

Hudson's Bay Company. Established almost two hundred and fifty years ago, it is still live, aggressive and powerful, while of the hundreds or thousands of concerns organized at the same time, or even fifty or more years later, hardly one survives. Such virility is superb, and shows how deeply and securely the foundations of this great company were laid. It proves the marvellous ability of its chiefs during the early years, and also of those who have directed its affairs down to the present day.

While we do not propose undertaking anything more than a very brief survey of its centuries of accomplishment, we find it has done so much, and has made history to such an extent that even a summary must occupy a large proportion of our pages. As Bryce says in his most fascinating and complete history of the Hudson's Bay Company: "The London merchants were mighty men, men who could select their agents, and send their ships, and risk their money on every sea and on every shore";[1] and that newly discovered but still unknown and untravelled country comprising the northern half of North America offered to these intrepid and fearless merchant-adventurers a field doubly enticing because of its great risk and its possible very large profit.

About the middle of the seventeenth century two French Protestants, Medard Chouart and Pierre Esprit Radisson, journeyed to Canada. They penetrated the frozen country as far as Hudson's Bay. They saw and became acquainted with the Indians, traded with them for furs, and were impressed with the possibilities of a large and lucrative trade.

Their several early voyages and expeditions finally ended to their disadvantage, for on returning to Quebec they were arrested by the French Governor and heavily fined for illicit trading. They appealed against the fine,

[1] *The Remarkable History of the Hudson's Bay Company*, by George Bryce, M.A., LL.D., Professor in Manitoba College, Winnipeg, etc. etc.

and urged, both in Quebec and Paris, the great advantage that would accrue to New France (as that part of the country was then called) if an expedition under Government control were sent to explore this vast region ; but Paris was deaf to their appeals.

Receiving no satisfaction in this quarter, they then turned to England and to its chief town in America, Boston, before whose merchants they placed their arguments. They were promised two ships, but the ships went elsewhere, and they again failed in the realization of their dream. They were nearly ready to abandon their project when they met two Royal Commissioners, sent to America by Charles II. to settle several disputed questions between the Mother Country and New England. One of these, Sir George Carteret, induced them to return with him to England and tell their story to the King, who readily promised them a ship for their long-desired expedition. But Stuart promises were made more easily than they were fulfilled, and delay still followed delay, until by good fortune they obtained an audience with Prince Rupert, the King's cousin, and awakened his interest at once.

An association was formed, a ship secured, the voyage made, and proofs obtained that the two persistent Frenchmen were right in their judgment. The country did indeed offer an opportunity for development, and what more was to be desired? On May 2nd, 1670, the Charter of the Hudson's Bay Company was signed and sealed by the King. The privileges he bestowed were enormous, for it was easy to be generous with regard to a country of which he knew nothing more than that it was now to be called Prince Rupert's land in honour of his cousin, their chief and active head. The Charter ensured the Company " the whole trade of all those seas, straits, and bays, rivers, lakes, creeks and sounds in whatsoever latitude they shall be, that lie within the entrance of the straits commonly called Hudson's Straits, together with all the lands, countries and territories

CHART MADE FOR THE HUDSON'S BAY COMPANY

SHOWING HUDSON'S BAY, LABRADOR AND THE NORTH-WEST PASSAGE

From an engraving in the British Museum

upon the coasts and confines of the seas, straits, bays, lakes, rivers, creeks and sounds aforesaid which are now actually possessed by any of our subjects, or by the subjects of any other Christian prince or state," and the rights further included "the fisheries, the minerals including gold, silver, gems and precious stones." All this, however, was almost by the way, for what now seems most remarkable to us is that the Charter gave this great tract, extending from Hudson's Bay to the Pacific—a tract including about one-third of all North America, "in free and common socage," i.e. the Company, as proprietor, was the absolute possessor.

It was given entire military control. It could raise armies and ships of war within its boundaries when it chose, and it could appoint governors; and this absolute control was held and exercised for two and a quarter centuries.

II

The Company had been incorporated in 1670, and the remaining years of the century saw its development on very gradual lines. The voyages, starting from Gravesend, were almost monotonous in their similarity. Each year, about the end of May, those in control in London consigned their cargoes of merchandise to the captain's care. We read, for instance, of one ship's inventory in 1672 as containing 200 brass kettles, 200 fowling pieces, 12 gross of knives, 900 or 1000 hatchets; while a few years later, tobacco, glass beads, 6000 flints, boxes of red lead, looking-glasses, netting for fishing, pewter dishes and pewter plates constituted part of the stock which was to be traded for furs. Each ship took out men who were to act as agents for the Company in the trading stations in the frozen North.

For a hundred years the Company satisfied itself by maintaining stations, which were forts and places of protection as well, only on the shores of Hudson's Bay.

There was no occasion for penetrating further inland, because the Indians brought their year's catch to these points, to exchange them for the wonderful merchandise of the white men. The Company was a keen trader, as its coat of arms implied—" Pro Pelle Cutem " (skin for skin) ; but it never forgot the great principles of fair trading, and the Indians soon learnt to trust its agents implicitly.

As soon as the ice disappeared from the rivers, the Indians started for the posts ; by July or early in August the trading season was at its height. The furs were bought, the ship was loaded and sent on her homeward journey. October usually saw her arrival in the Thames, and when one considers the small size of the boats and the difficulties of a voyage the losses seem very few. But with the arrival of the furs in London the Company's work was only partly done, for they had still to be sold. When the market was very unfavourable the sales were postponed ; and we can easily imagine the obstacles which the keen fur buyers of Europe placed in the way of the sellers. The sales were conducted by auction, and that system became so well grounded in those early days that it persists in the world-renowned sales of sealskins and other furs, still held in London twice each year.

Those old auctions, however, were a little less prosaic than the present, as is proved by the entertainment which it was thought wise that the Company should give the prospective bidders. We read that during the November sale of 1681 " a committee was appointed to provide three dozen bottles of sack and three dozen bottles of claret to be given to buyers at ye sale. Dinner was also bespoken at ' Ye Stillyard ' of a good dish of fish, a loyne of veal, two pullets and four ducks."

These figures of the articles sent out for trade, the returns, and the entertainment, all seem very small to us now, but the Company was still young. Yet the first recorded dividend—fifty per cent—was declared in 1684 ; it was followed by a similar one in 1688 ; in 1689

by one of twenty-five per cent, while in 1690 the returns were so admirable that it was decided to treble the stock. The reasons given were these:

"(1) The Company has in its warehouse about the value of its original stock (£10,500).

"(2) The Factories at Fort Nelson and New Severn are increasing in trade, and this year the returns are expected to be £20,000 in beaver.

"(3) The Factories are of much value.

"(4) Damages are expected from the French for a claim of £100,000."

A dividend of twenty-five per cent was then declared, being equivalent to seventy-five per cent on their original stock. We can assume that these careful and thrifty old merchants thoroughly understood their business, and that they were within the bounds of safety in declaring a huge dividend on expectations of realizing a claim from the then unfriendly country of France. Nowadays, however, Capel Court would look upon a similar action as akin to prematurely counting one's chickens.

The King, William III., was one of the shareholders, and on the occasion of the declaration of this great dividend he had but recently returned from a victorious campaign in Ireland. A deputation in presenting his share of the profits accompanied it with the following address:

"Your Majestie's most Loyal and Dutiful subjects beg leave to congratulate your Majestie's Happy Return here with Honour and Safety. And we do daily pray to Heaven (that hath God wonderfully preserved your Royal Person) that in all your undertakings Your Majestie may be as victorious as Cæsar, as beloved as Titus, and (after all) have the long and glorious Reigne and Peacefull end of Augustus.

"On this happy occasion we desire also most humbly to present to your Majestie a dividend of *Two Hundred and twenty-five Guineas* upon three hundred pounds stock in the Hudson's Bay Company, now Rightfully delivered to your Majestie. And although we have been the greatest sufferers of any Company

from those common enemies of all mankind, the French, yet when your Majestie's just Arms shall have given Repose to all Christendom, we also shall enjoy our share of these great Benefits; and do not doubt but to appeare often with this golden fruit in our hands, under the happy influence of Your Majestie's most gracious protection over us and all our Concerns."

There is no doubt but that Prince Rupert's Governorship of the Company, and the presence among its shareholders of important people at Court, helped it enormously in its early days, when Governmental protection meant so much to hazardous undertakings such as this. In those days the titled classes lost no fair opportunity of joining in commercial adventures and of adding any influence they possessed to their success. Great, therefore, was the loss to the Company when Prince Rupert died in November, 1682, and long and serious were the deliberations as to his successor. While James, Duke of York, was most unpopular with the people at large, he possessed a keen head for business and a liking for it. He was, therefore, chosen Governor in January, 1683, a duty he assumed without hesitation, and performed punctually until he became king on the death of Charles three years later; and it is pleasing to read that the Company benefited greatly by his intelligent administration.

On James's retirement, his favourite, Lord Churchill, afterward the Duke of Marlborough, was chosen for the post, and his efforts and abilities seem to have been as great as those of his princely predecessors. He was Governor throughout seven years of troublous times for England, during which he forsook his friend James and helped to induce William of Orange to make himself king in James's place. He used his influence in favour of the Company whenever and wherever he could, and was rewarded for all these services by the elaborate thanks of the Company, and by more substantial tokens of their gratitude in the shape of pieces of plate. His Governorship, however, came to an abrupt end when on

PRINCE RUPERT

From a line engraving by T. Chambers after a painting by Dobson

one morning in May, 1692, William III., becoming convinced that the Earl was proving false to him, sent him to the Tower under an accusation of high treason. As it happened his imprisonment was short, but it became imperative that the post should be filled by someone else. Sir Stephen Evance was therefore selected, and continued as Governor for many years.

The extraordinary position which the Hudson's Bay Company had acquired by the close of the century deserves a word of comment in passing. It was still the age of Romance in Commerce. Starting in a comparatively small way, this body of merchant-adventurers had won for itself in less than twenty-five years a commanding position among the great commercial undertakings of the time. Its chief office was not only accepted but sought for by the greatest men of the kingdom. It was petted by the British public, favoured at Court, respected by those in foreign lands who cast jealous eyes at its high and successful position. Ownership of its shares was almost a royal favour. It was highly profitable; it possessed a charter with privileges greater than any ever granted before or since. The execution of its business carried with it the greatest fascination for adventurous spirits, for there were not only the innumerable risks of shipwreck or capture upon the high seas but the even more probable dangers attendant on the development of a new and wonderful territory. And the very breath of romance rested upon the products of its trading. The furs possessed the charm of the distant and almost impenetrable forest, and carried to the hands of the great dames of Europe the touch of the savage redman of a continent thousands of miles away. Every pelt which came to these shores brought with it the aroma of the salty ocean spray Here was free opportunity for imagination to run as wild as the great wind from the boundless prairies of the West.

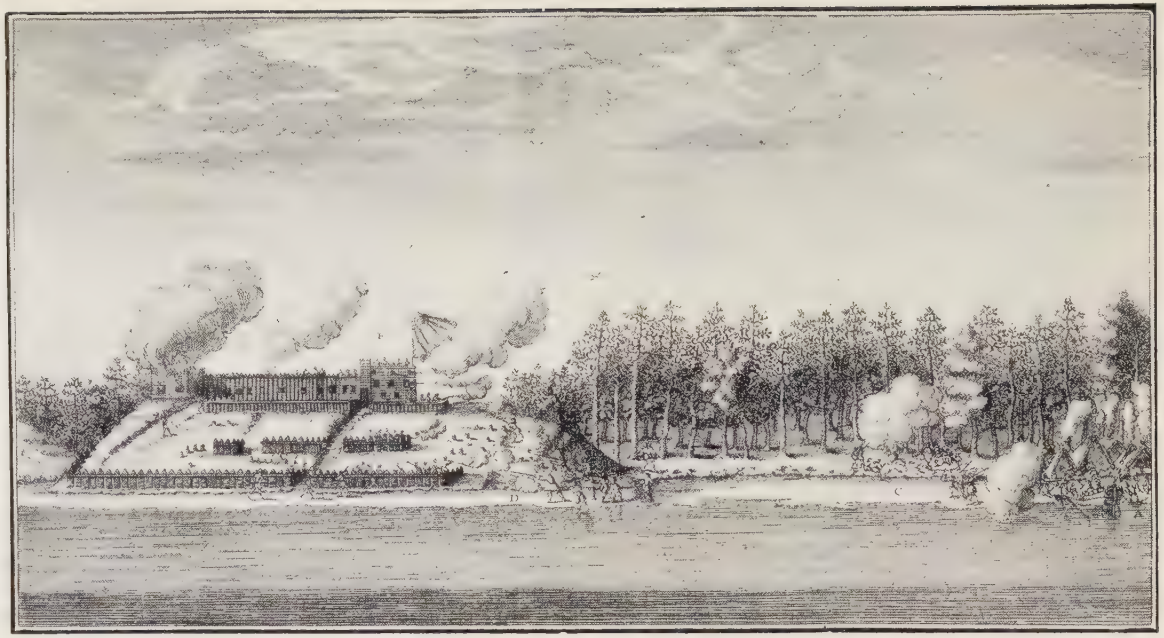
III

But though the youthful Company made an encouraging start by sailing its ship of progress through a smooth sea, clouds and storms arose a year or two before the beginning of the eighteenth century, which gave great alarm to the directors. Louis XIV. of France carried his imperative ways so far that in 1690 four of his neighbours—Germany, Spain, Holland and England —combined to force him to a more reasonable attitude. After several years of hard work and much fighting, Louis accepted his defeat, at least to the extent of making them overtures for peace. They received these advances, and appointed a meeting at William III.'s château near The Hague.

We are only concerned with one of the various articles discussed at this meeting, which became part of the treaty and proved of vital importance to the Hudson's Bay Company. "Article VII. compelled the restoration to the King of France and the King of Great Britain respectively of 'all countries, islands, forts and colonies' which either had possessed before the declaration of war in 1690."[1] Now the great territory given to the Hudson's Bay Company had been claimed by France long before that date, and the Company awoke to the seriousness of their position too late. They sent a strong and influential deputation to The Hague which did something, but not enough. The Treaty as finally signed was a decided blow to the Company, and for at least fifteen years after that date its affairs suffered greatly. So much territory around Hudson's Bay was by the Treaty claimed by and allowed to the French, that in 1700 the Company received even from their stronghold, Fort Albany, only one-fifth its usual quantity of furs, and their year's trading showed an actual loss.

That they should have struggled for so long in this

[1] Bryce's *History of the Hudson's Bay Company.*



OLD HUDSON'S BAY FORT

From an engraving dated 1722 in the British Museum

uphill fight against such odds speaks well for the pertinacity of this sturdy band of merchant-adventurers. They had no reason to think that the conditions would be reversed, as happily they were, when Marlborough's victories brought Louis XIV. to sue again for peace. When this Treaty was signed at Utrecht, Great Britain watched her interests in the new world much more carefully. She insisted upon, and received as her own, certain West India Islands, Nova Scotia, Newfoundland and the entire west coast of Hudson's Bay, with the undisturbed control of the Iroquois. A special section of the Treaty provided "that the French King should take care that satisfaction be given, according to the rule of justice and equity, to the English Company trading to the Bay of Hudson, for all damages and spoil done to their colonies, ships, persons and goods by the hostile incursions and depredations of the French in time of peace."

The lobby for the Company was therefore as successful upon this occasion as it was unsuccessful fifteen years before. The Treaty calmed the troubled waters so well that the great public concluded as the years went by that the waters were too smooth, and felt that the Company whose Charter gave it such extraordinary privileges should assume certain obligations as well. The discovery of the North-West Passage had long been a cherished dream, and many began to criticize the Hudson's Bay Company for not showing activity in that direction. It was all very well to buy and sell furs, to make a profit and declare a dividend, but how about opening up the country? They said the Company had become lethargic and needed competition to wake it up, —and it probably did.

One of the Company's chief opponents was a Mr. Arthur Dobbs, and he excited the public interest by a most stirring book. He quoted from the accounts of the early voyagers their description of the interior of North America with its great rivers, fertile soil and wonderful

scenery. He argued that the Company had all this at its door, but was missing the opportunity of adding such wealth to England's resources because it had become rich and sluggish. It had lived out its days of virility. It was no longer fit for the great work which must be done. First, let the discovery of the North-West Passage be made, and what could not then be done?

Opinions of leading men were quoted, and those expressed by the Earl of Halifax—that great friend of colonization, after whom the city of Halifax, Nova Scotia, was named—might be read into our leading columns to-day with equal force. It was said of him that "he knows the true state of the nation—that it depends on trade and manufactures; that we have more rivals than ever; that navigation is our bulwark, and colonies our chief support; and that new channels should be industriously opened. Therefore we survey the whole globe in search of fresh inlets which our ships may enter and traffic."

Dobbs had the gift of making written words count. He was convincing, and the Company, like many other strong men and great companies, offered nothing to combat his argument, so that the feeling against it grew steadily.

A great Company—a combination of men and money—often through the valour of independence ignores attacks; but the public character of such a Company must be defended—its leaders must strike back, strike hard, just as any man's private character must, when necessary, be defended. Public opinion is a force, perhaps the greatest we have to reckon with. To ignore criticism which cannot be sustained, to carry dignity to the point of indifference to public opinion, has so often proved a fatal error that it would seem that everyone should know it by now.

But everyone does not.

However, the Hudson's Bay Company let someone else discover the North-West Passage—someone who had

MR. SAMUEL HEARNE

LATE CHIEF AT PRINCE OF WALES'S FORT, HUDSON'S BAY

From an engraving in the European Magazine, Aug. 1st. 1796

been inspired by Dobbs's book, but the discovery came a century after Dobbs and his contemporaries had ceased to exist.

IV

The conquest of Canada by General Wolfe in 1759 made the way of the Hudson's Bay Company almost too easy, for where great effort is not required, great effort will not often be used; and at all events we read of nothing of importance in the Company's history for a full quarter of a century after this conquest. Then events of a momentous nature occurred, affecting the Company with over a hundred years of history behind it in a much more serious manner than they would have done, had it been as keenly alive and as well managed as during its early years.

Canada, since its conquest, had assumed new interest in the minds of the adventurous young men of the Mother Country. Many young and entirely unknown men emigrated thither, and it is a peculiar fact that Scotland supplied almost all who made their mark, and in this foreign and inhospitable country carved for themselves names in Britain's commercial and colonial history. A little group of such men as Alexander Henry, Thomas Curry, and James Finlay became independent Canadian traders. Among others were Samuel Hearne, an Englishman, trader and fearless voyager into the unknown parts of the north-west, and discoverer of many of its lakes and rivers; Joseph Frobisher, a great trader and one of the well-known characters of Montreal; Simon McTavish, who organized a great competing company—The North-West Company; John Gregory; Alexander Mackenzie, afterwards Sir Alexander, whose name was given to the great river which flows into the Arctic Ocean, the Mackenzie, which he discovered while on one of his many passages into the interior; his cousin Roderick Mackenzie; and Ross the famous trader. These

were all great men, great not as statesmen, soldiers or men of society, but great in their own sphere of achievement. They were the advance guard of civilization; men who feared naught, who believed in themselves, and who staked all on their judgment.

One must have deep respect for such splendid fearlessness, for such sportsmanlike indifference to risks and dangers. We cannot possibly imagine a timid, overcautious, pale-faced, luxury-loving man succeeding or even surviving in such a rough life as these men led, a life of pure air, deep cold, and often of great privations. It required men of solid bone and muscle, of determined will and strength of purpose. We can almost imagine their physiognomy. Certainly, they should have possessed square faces, strong brows, determined chins and pleasant smiles, but with a reserve force at the back of it all which could, if necessary, break into a very tempest of passion.

These men penetrated this undeveloped country much further than did the Hudson's Bay Company. They and their successors were men of nerve, and loved adventure. They went wheresoever trade was to be done, and before the enterprising spirit of these young Scotsmen the country was developed and opened more rapidly than ever before. They blazed the trail: they placed the marks in the ground which afterward became the great cities of Western Canada. A camping place, a night's resting place, reached during some tramp of discovery made with the thought of increased trade—these have frequently become a little later trading posts and forts, then villages, towns and cities.

Trade was the magnet which drew them on, and on. Their efforts were all attended with the exhilaration of material accomplishment. They saw greater and ever greater chances of exchanging whatever the Indians wanted for their prized furs. Trade and its possibilities have been responsible, and are still responsible, for the development of that great country—one-fourth of the

whole hemisphere—and as it has been the loadstone there, so it has been the power behind almost all the civilizations of this earth. Religion follows after. Commerce has almost always put the first foot into the new country and begun the conquest that ends in civilization.

As we have indicated, the Hudson's Bay Company was now confronted with a lusty competitor in the North-West Company, organized by McTavish, and this in its turn was threatened by an offshoot of its own in the X.Y. Company. When these two united, as they did in 1804 or 1805, the older Company was forced from its stronghold of independence and monopoly, and made to feel the competition of these more energetic men.

V

While the old Hudson's Bay Company was fighting its Scottish rivals, still other competitors entered the field, and among them was a German fur merchant named John Jacob Astor.

This remarkable man was born at the village of Waldorf, near Heidelberg, on the 17th of July, 1763. His father was a peasant, and his early years were spent in the common labour of a farm. When sixteen years old, he joined his elder brother in London in a musical instrument business, and when he had reached his twentieth year, decided to emigrate to the United States.

While on the ship he became acquainted with a fur trader, and during the long days listened to the stories of adventure and profits which such a calling brought to one who was keen-witted and not afraid of hard work.

Astor felt that he possessed both these qualities, and forsaking his original plan, which was to embark in the musical instrument business, decided to become, instead, a dealer in furs. His commercial mind and excellent physique did him good service. He developed great energy and sound judgment, and soon worked his way

into a not unimportant place in the young city of New York. The great and still undeveloped territory west of New York abounded in fur-bearing animals. The Red Indians were natural trappers, and Astor before long became chief purchaser of the skins secured by each tribe during the long cold winters. He enlarged his sphere of activity, and grew in wealth and importance even faster than did the country. It is said that he was the only man in the western hemisphere who possessed a fortune of $1,000,000 at the beginning of the nineteenth century.

From a comparatively local business, Astor pushed his trade across the Continent. He aspired to control the whole of the fur business of the United States, and he locked horns with the great Hudson's Bay Company, when the law was passed in 1794, which did away with the restrictions prohibiting the exportation of furs from the British possessions. He took up his residence in Montreal and soon became a factor to be considered; but the same law which allowed him to trade freely in Canadian furs also permitted the Scotch competitors to tap his territory, thus making the battle more lively even if less profitable for those most interested. With his then large capital, Astor pressed with all his skill for the control of the vast industry. He founded the American Fur Company in 1809, and the South-West Company in 1811.

St. Louis was then the metropolis of the West, and its merchants were wide awake and progressive. Certain of them had organized a company to trade on the Missouri and Nebraska rivers, and as success is the mother of progress, they soon pushed their outposts beyond the Rocky Mountains. Trouble with the Indians and internal differences, however, caused this apparently thrifty company to cease operations. We may assume that Astor's competition was very severe; at all events in 1808 we find him left the master of the field. In 1810, he organized the Pacific Fur Company. The experiences

SIR ALEXANDER MACKENZIE

From an engraving by P. Condé after a painting by Sir Thomas Lawrence, P.R.A.

of Astor's sturdy men who acted for him on the extreme limits of the Continent are as interesting as the wildest romance of the practised novelist and have indeed been recorded by Washington Irving's wonderful pen, for while his *Astoria* is claimed as fiction, the details which fill many of its pages are drawn from this real romance of trade.

We may read there, and elsewhere, of the establishment of the ill-fated town of Astoria; of the wild times between stern captains and rebellious crews and passengers of the trading boats; of the visit to the king of the Sandwich Islands, and of the treachery of the red men whom they ran foul of when they again reached the mainland; of how the Indians attacked the vessel, and how the white men, treacherous in return, enticed the Indians on board and then blew up the whole ship and its visitors. Melodrama is defied by the exciting scenes that actually occurred during the early days of fur trading.

John Jacob Astor was one of the picturesque characters of America, one of the most wonderfully successful men of commerce of all the world. His wealth at the time of his death on March 29th, 1848, was very great, and his keen ability in investing his profits had done much to augment this fortune. Astor was an optimist in New York real estate. He lent money freely at a high rate of interest to the farmers who tilled the soil in the upper part of Manhattan Island—a district now dotted with skyscrapers—and he often became the owner of these farms through foreclosure or purchase. As one after another was absorbed by the great city, Astor, true to his optimistic belief, reinvested his savings in more property further north, always to the great advantage of his banking account. And thus the Astor millions grew, until to-day, in the fourth or fifth generation, the Astor family stands as one of the richest in the world.

But with all this wonderful increase, this seemingly unapproachable method of acquiring money, we have

but to employ a pencil and paper for a moment to discover that compound interest is the greatest of all money-makers.

Manhattan Island is a piece of rocky land containing about 22 square miles or 14,000 acres. It is said to have first attracted the attention of the traveller, Verragano, as he sailed into the beautiful harbour in 1525, almost 400 years ago, but the old story that it was bought, about then, for the equivalent of $25 or £5 has been discredited, because it was actually purchased from the Indians in 1626 by the East India Company, though what amount was paid at that time we do not know. For the sake of our argument let us accept the legend.

Now had this sum of £5 been placed at interest at 6 per cent compounded annually at the date of purchase, the result would have been greater in pounds sterling than the entire island with all its magnificent buildings is worth to-day. Compound interest causes the sum invested to double itself in the same number of years as the rate of interest is contained in seventy-two. Thus at 6 per cent., money doubles in twelve years. Assuming then that $25 or £5 was paid out in 1525, the value of this small investment if placed at interest—6 per cent. compounded annually—would in a hundred years approximate £1600, in two hundred years £525,000, in three hundred years £170,000,000, and in four hundred years the gigantic sum of £55,000,000,000. It must be written out to be grasped. Fifty-five thousand million pounds sterling, staggering even to those whose imagination is the most vivid.

If England had only put a few pounds out at interest when Henry VIII. was spending money more or less freely on his various wives, and had been able to keep it invested on the same basis the question of an increasing national expenditure would have inconvenienced no one.

There is nothing in the wide world like compound interest.

VI

As we have seen, the careful, shrewd, but at the same time adventurous men of Scotland have always been in the forefront in matters Canadian. Scots were active in the management of the Hudson's Bay Company, and Scots offered to the older Company competition which was fierce and resourceful, and which won from those who had been first in the field their most serious respect.

And now, at the beginning of the nineteenth century, another venture—this time one of philanthropy and patriotism—hailed from the land of Rob Roy, and was fathered by that high-minded and unselfish Scottish peer, the Earl of Selkirk.

After Alexander Mackenzie had returned from his history-making tour of discovery through portions of North-West Canada, where no white man had ever been before, he put his experiences into book form, and published it under the title of *Voyages from Montreal through the Continent of North America, etc.* This volume was eagerly read by many, and fell into the hands, among others, of the young Earl of Selkirk, to whom it seemed a guiding star. While himself a Southerner, he had often visited the Highland towns, and had frequently had forced upon his attention the hard conditions of life endured by the majority of those who lived in these rocky and unfertile districts. Here in Scotland were many hundreds who were barely existing, and this with great difficulty and hardship. There across the ocean, England possessed, according to the unquestioned word of the discoverer, trader and author Mackenzie, a vast tract of fertile land only waiting the axe and plough. Why not then transplant the sturdy people of the Highlands into Canada somewhere near the west coast of Hudson's Bay, of which he had read so much? It would, Lord Selkirk urged, be good for the Scots, good for Canada, and good for the Empire.

No sooner determined upon than begun, and in 1803 he succeeded in organizing a band of eight hundred souls, whom he planned to transport to the neighbourhood of Lake Winnipeg. The British Government interfered, however, and Lord Selkirk was obliged to send them instead to the more accessible shores of Prince Edward's Island.

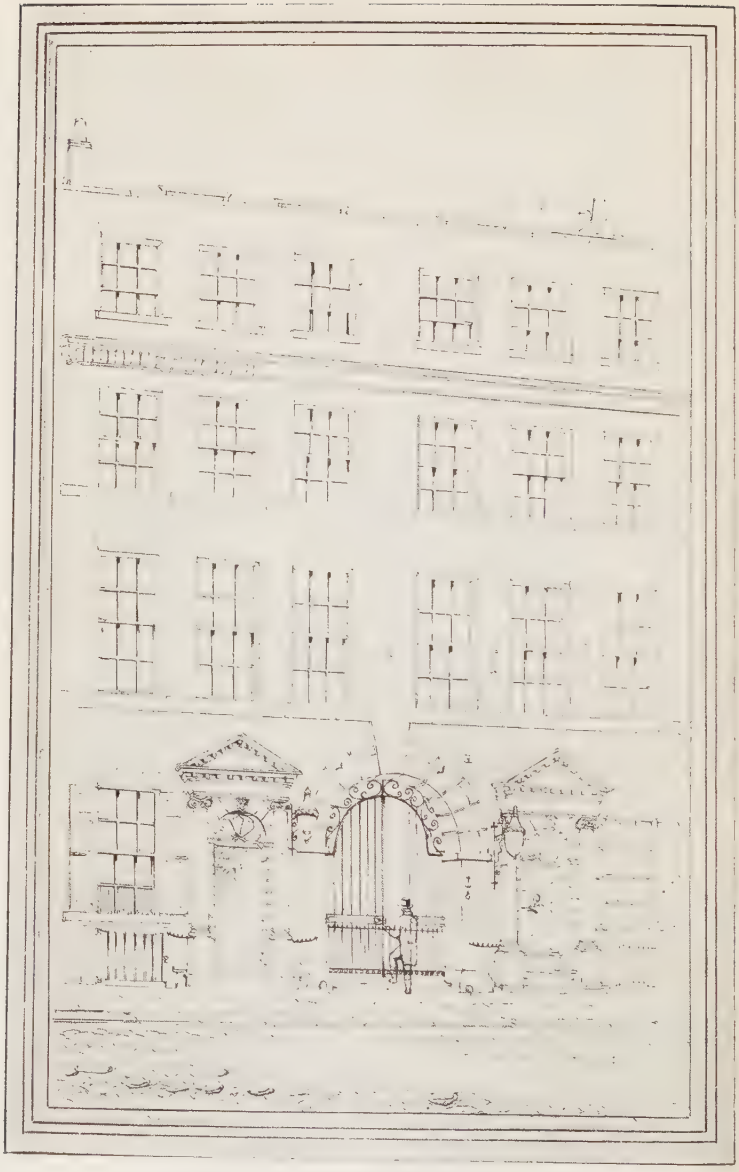
Nevertheless the dream still was there, the dream which the energetic young nobleman longed to build into a reality, and in 1810 he determined to take steps which would make him reasonably independent of the Government's interference. He first had the rights, privileges and actual ownership of the land by the Hudson's Bay Company looked up, and being assured of its ability to do with the land as it chose, he proceeded to gain control by the purchase of shares in the Company itself. At this point the North-West Company became alarmed. It was thought to be perhaps a scheme to give advantage to their competitors, and all the machinery of their complex organization was set in motion to block Lord Selkirk's plans.

However, the young earl was not the man to retire from the battle when once his armour was donned. He met their strokes by counter strokes. Sometimes they won, sometimes he, but after months of conflict an expedition finally sailed for the Far West bearing about seventy determined men and women, under leaders appointed by Lord Selkirk, who had purchased in fee 110,000 square miles on the Red and Assiniboine rivers. In 1812 twenty more were sent, the next year ninety-three, and in 1815 were sent one hundred more.

But when the colonists reached the country designed for their occupancy the employés of the North-West Company, acting under orders from headquarters, carried on a systematic campaign of annoyance and discouragement. The colonists were tempted to leave, were bribed to give up, were frightened away, were made as unhappy as men and women could be made, so that in

MONTREAL FROM THE EAST

From an engraving by P. Canot after a drawing by Thomas Patten. Published in 1762



HUDSON'S BAY COMPANY BUILDING

From a drawing in the British Museum by G. Shepherd dated 1809

a year or two, the colony had dwindled to a few of the faithful ones only. When the news of all this outrageous treatment reached Lord Selkirk, he determined to visit the territory himself, and accordingly late in the year 1815 he and the Countess, his son and two daughters reached Montreal. But Lord Selkirk had been accustomed to the courts and authorities of older England and Scotland, and when he sought protection for his colonists in Montreal, he found the wheels of justice stopped by the influence of the chiefs of the North-West Company. The justice served out in a new country is not often of the unbiassed and unprejudiced quality. Personal acquaintance and personal influence often affect the case in point more than the strict reading of the law, and all this, and much more, Lord Selkirk soon learned.

But he was not yet beaten. The odds were enormously against him. He was in the home of his enemies; the officials of the colony were friends and often relatives of his opponents; the whole public mind of the colony, under the influence of the strong and wealthy men of the North-West Company, was against his undertaking. He was fighting the contest alone, not for profit or for glory but because he firmly believed it to be best for the people of his country and for the Empire.

It was almost impossible for him to win; but we must respect and applaud his splendid strength of purpose, his determination not to be worsted. It is a little difficult to understand why the Home Government gave him no support. It either was not in agreement with Lord Selkirk's ideas and methods regarding the strengthening of the Empire through sending good, hardworking people from Scotland to the colonies, or his enemies had obtained influence in London which he could not overcome. At all events he was left to fight the matter out alone.

He determined to visit the colonists in their newly made home. He was sworn in as justice of the peace for Upper Canada. He hastened from one point to

another. He acted on more than one occasion as judge, but so poisoned was public opinion against him that his decisions rarely gave satisfaction. Yet the earnestness and unselfishness with which the young earl worked, the enthusiasm which his presence put into his colonists, his tact, energy and intelligence made headway against his foes, and in 1817, having, as a writer of the period says, "restored order, infused confidence in the people, and given a certain aid to their activity," he felt that he could leave the work, at least for the moment, and give the attention so much needed for his matters of business elsewhere.

His lordship journeyed south, and eastward, and spent about a year in various parts of the United States. We then find him suddenly returning to his colony, where the conditions had again become very bad. He worked against great odds, the odds of an unfriendly and dishonest colonial Government. So difficult, even impossible, was it to obtain reasonable justice in either the Upper or the Lower Courts, that we find him writing in October, 1818, to the Duke of Richmond, the new Governor General of Canada, as follows:

"To contend alone and unsupported, not only against a powerful association of individuals, but also against all those whose official duty it should have been to arrest them in the prosecution of their crimes, was at the best an arduous task; and, however confident one might be of the intrinsic strength of his cause, it was impossible to feel a very sanguine expectation that this alone would be sufficient to bear him up against the swollen tide of corruption which threatened to overwhelm him. He knew that in persevering under existing circumstances he must necessarily submit to a heavy sacrifice of personal comfort, incur an expense of ruinous amount, and possibly render himself the object of harassing and relentless persecution."

Lord Selkirk returned to England soon after the above letter was written. He tried to carry on the war in London, and a Blue Book shows that efforts without great result were made in Parliament.

But the fight which this gallant young Scotsman had made in a new, poorly governed, hostile country had undermined his health. He went abroad, hoping to regain strength in the sweet air and life-giving sun of the south of France. But it was not to be, and at Pau in April, 1820, this great man died.

His page in history is entitled to extreme respect. His unselfishness, his strong will, his love of his country and of the people of his race are all beautiful. But he was unequal to the great death-dealing blows which equally strong and determined men can deliver, men whose training had been in the keen school of commerce, men who unfairly took the advantages which a new, thinly settled, dishonestly administered country permits.

VII

While Lord Selkirk had purchased his land of the Hudson's Bay Company and was regarded by the competitors of that Company as not only friendly but almost as a part of it, we do not discover that it made any effective efforts to aid him in his great undertaking. The fact was that the aggressive and resourceful managers of the North-West Company were at this period more than a match for their older and less virile competitors. The Hudson's Bay Company had dropped gradually into a state of unprogressiveness, their chief object seeming to be to keep their financial heads above water. Neither Company had proved very remunerative for a long time, and the desire for dividends was paramount in the minds of the directors of the older Company. This is perhaps an entirely reasonable condition, but when all is sacrificed for momentary profits in any business undertaking, the romance, the fascination of the affair, must take a secondary place, or disappear altogether.

After Lord Selkirk and his bold schemes were disposed of, the North-West Company breathed more freely. Its

chiefs turned their attention toward a more settled condition of affairs. The battle between the two Companies had been fierce and relentless. Friction at the outposts often resulted in actual bloodshed, and their trade suffered accordingly. The cut-throat competition had proved most expensive; why then not try to unite warring interests? Why not bury the hatchet and work together?

Lord Selkirk's death in France removed the point of greatest opposition. The first steps were taken by the powerful leaders of the North-West Company, and as both Companies had been brought to the verge of bankruptcy by ceaseless warfare, the hand of peace offered to the older Company was grasped with alacrity.

A combination of interests was brought about in 1821, and on March 21st of that year the two bodies of men were united under the title of the older Company, which became stronger, more capable, and more prosperous than at any time in its history since 1690 or 1695, and before very long the actual empire was brought under its direct control.

Then followed years filled with epoch-making events. Discoveries of far-reaching importance were made; trading stations and stockade forts placed further and further west. Furs, the golden prize for which these great efforts were chiefly being made, were collected and sent to England for sale in wonderful abundance. Great names figured prominently in the records of the Company. Sir John Franklin, the explorer, was sent out by them to push his way through to the Arctic Ocean. His first efforts met with much success, but he lost his life on his second voyage, which he undertook for the purpose of finding a way from Lancaster Sound to Behring's Straits.

Another of those fearless men who cut his way through the unknown wilds of that almost impossible country was Captain John Ross, to whom the world owes the discovery of the North Magnetic Pole, where the

magnetic needle stands vertically, showing the centre of terrestial magnetism for the northern hemisphere.

Sir George Back, Dr. Richard King, Dr. John Rae, Gen. Sir Henry Lefroy, Captain John Palliser, R.N.A., and many others whose names have a place in the history of the north-west territory worked for and through the great Hudson's Bay Company. The development of the country was in their hands, and one is tempted to fill the remaining pages of this volume with the experiences and adventures of those pioneers of Canada.

During all this time, the most striking feature was the management by the Hudson's Bay Company of the widely scattered tribes of Indians. It is a wonderful demonstration of ability and good judgment that with an autocratic power exercised over this vast territory during a period of two hundred years no Indian war should mar its record. The Indians early learned that the Company's agents could be trusted.

We do not know which tribe of North American Indians originated the famous saying, " If White man deceive Indian once, shame on White man ; if he deceive him twice, shame on Indian." But the good sense contained therein reflects clearly enough the nature of the red man. The Hudson's Bay Company, with its men scattered through that cold almost impossible country, proved that its word could be depended upon, and the wild Indian, whose home was the forest, whose companions were savages like himself, whose only pleasure was to kill, knew as well as any member of the most highly civilized and enlightened race that those who never break their word are those in whom to place implicit trust.

The trader in the distant outpost was looked upon by the tribes in the neighbourhood as a benefactor ; and he in turn seems almost always to have grown really to like those with whom, year after year, he traded merchandise for furs.

It is largely to this spirit of integrity, this reputation

for honourable and fair trading, a principle which should permeate all business transactions, that the Hudson's Bay Company owes its success and its long life.

VIII

LORD STRATHCONA

In the first half of the nineteenth century, a young man, hardly more than a youth, left his little home in Scotland for service in the Hudson's Bay Company.

Donald Smith, afterward Lord Strathcona and Mount Royal, was born on August 20th, 1820, in the little town of Forres in the county of Elgin. Forres with its neighbourhood, it may be remembered, is the scene in which a great part of *Macbeth* is laid. Macbeth, accompanied by Banquo, meets the weird sisters on the Hood Muir in the neighbouring parish of Dyke.

> "How far is't called to Forres? What are these
> So withered, and so wild in their attire;
> That look not like the inhabitants o' the earth
> But yet are on't."

Donald's parents were not blessed with much of this world's goods, but Mrs. Smith determined that her sons should at least have a good education as a start in life, a desire more easily gratified because an early resident of Forres, a Jonathan Anderson, had willed to the town certain lands and property to be used in building and equipping a school which should give to those less fortunate than himself an opportunity to learn "English, writing, arithmetic, and such branches as the provost, magistrates and town council should think proper."

Young Donald's uncle, John Stewart, had years before gone to the north-west territory to seek his fortune, and Mrs. Smith occasionally received letters from him. His life of adventure whetted the youth's ambitions,

and to him the career of a fur trader seemed the most fascinating and brilliant which could be adopted.

His mother, however, did not share his views. She wanted her boys to remain near her, and to follow, as she thought (and as some people even now seem to think), a more dignified line of activity. Donald's elder brother was sent to Aberdeen to study medicine, while Donald, who was to become a lawyer, entered the office of Robert Watson of Forres.

It is folly to try to make a lawyer of one whose mind has not been cast in a legal mould, although people are everlastingly trying to do it. Before long Mrs. Smith wisely recognized that the bent of her son's mind lay toward Commerce, and did not insist upon his carrying out her ambitions. It is to her good sense in this respect that we owe another delightful page of the Romance of Commerce, in the career of the "Grand Old Man of Canada."

Mrs. Smith wrote to her cousins, the Grants, merchants in Manchester, who have been immortalized for us as the Cheeryble Brothers in *Nicholas Nickleby*. She told them of her disappointment, and begged their advice as to what could be done to keep her son Donald from emigration; and they, true to their kindly nature, offered him a stool in their office. This opportunity seemed to Donald wonderful, and he would have taken it at once except for one of those turns in the wheel of fortune which came at this moment and fixed his work for life. His uncle, John Stewart, returned to Forres fresh from the prairie, and bringing with him all the romance of the new country, the atmosphere of adventure and the halo of success.

He liked his seventeen-year-old nephew, and frankly insisted to his sister that her boy's future lay in the western hemisphere, where every man was for himself, where brain and muscle counted, and where fortune awaited a young man of spirit and strength of purpose. He could, he said, assist Donald to obtain a position with

the Hudson's Bay Company and then the young man could make of himself what he would. His offer was accepted, and the lad sailed for Montreal to seek his fortune. We may gather some idea of the new and undeveloped territory to which he went by quoting from a lecture delivered by Lord Strathcona at Oxford in July, 1899.

"No one travelling through Ontario and the other provinces to-day could imagine the state of things that existed in 1837. It seems almost incredible. Everything is made so easy for emigrants now—the travelling is comfortable—the voyage is short—the food is better than a good many of them get at home.

"In 1837 the only incorporated city in Ontario was Toronto, which at that time had a population of 13,000 to 14,000 people. In lower Canada, Quebec at that time was a more important town in many ways than Montreal.

"It was the head of navigation, as the shallows in Lake St. Peter on the St. Lawrence had not then been dredged, and it was the entrepôt of a greater share of the St. Lawrence trade than it is now. A few ocean vessels of light draught went up to Montreal, but much of the merchandise of that city was transhipped at Quebec into other vessels. The social condition of the people was naturally not of a very high standard. Their work was hard, their mode of living simple, their houses large log-huts, and they had to go long distances to sell their produce and buy new supplies. This of course refers to the country districts, or backwoods, as they were called in those days. In the towns and villages there was plenty of intercourse, and judging from my own early experiences, life in the centre of population was pleasant and attractive, and the Canadians were as generous in their hospitality as they are known to be to-day."

The Governor of the Hudson's Bay Company in 1837 was Sir George Simpson, a man who but twenty years before had been a clerk in the London office of the Company. Simpson was short in stature, positive and commanding in disposition, and of such fibre as was required in a new country whose laws were more or less nebulous, and whose execution depended largely on the calibre and feelings of those in authority. His

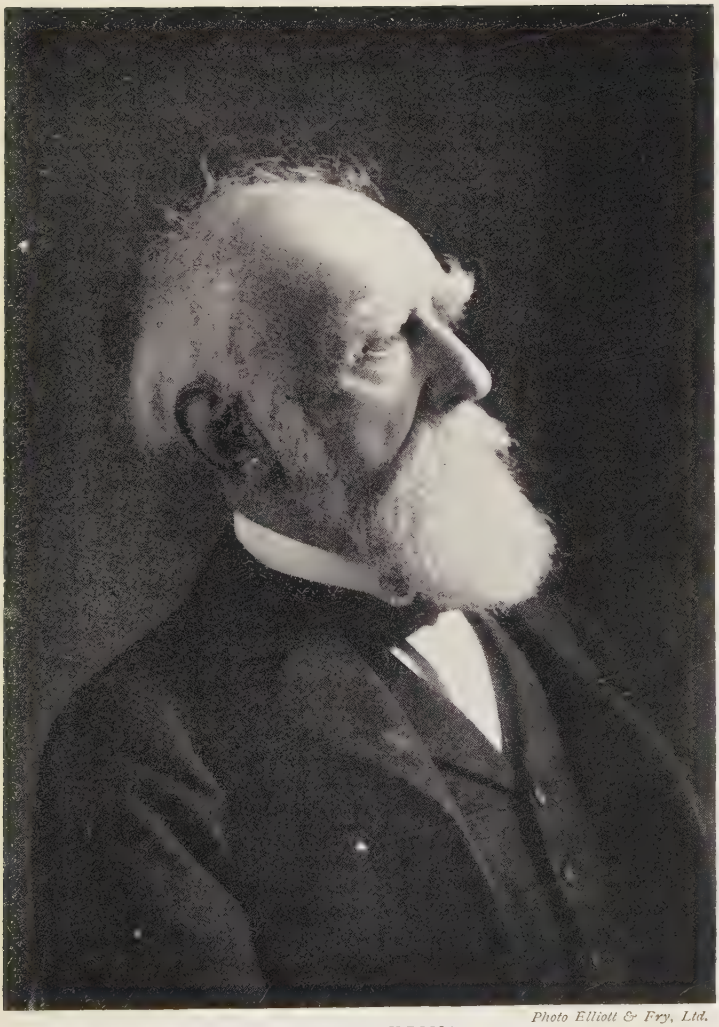


Photo Elliott & Fry, Ltd.

LORD STRATHCONA

administration of this old Company, whose charter required managers who would govern and control a great country as well as make dividends for the shareholders, was extremely successful. And it was this arbitrary but capable man to whom Donald reported for duty.

The Company had recently been turning its attention to the vast almost unexplored region in the eastern portion of its dominion.

Labrador was sparsely peopled by Indians and a few Esquimaux, but trappers from there had occasionally appeared in Quebec and Montreal with valuable skins, and this was cause enough for undertaking its further development.

Labrador, it may be remarked, occupies about 400,000 square miles, nearly equalling in area the British Isles, France and Germany. It is an almost impossible country. Its winters are eight months long, and during this period it is snowbound and swept with icy gales which make outdoor life difficult in the extreme. During the few short weeks of summer it is visited by myriads of mosquitoes which drive men and animals almost crazy.

It was to this, the most uninviting territory in the world, that Donald Smith was sent, and here for thirteen years he remained. The tiny forts of the Company were hundreds of miles apart. Society, except with the ignorant natives of half breeds, was non-existent. The life was the roughest, and contact with the outside world confined to the very rare arrival of some messenger from Montreal with mail and newspapers.

But Donald was there to serve the Company, and never forgot its interests. He learned to trade with the trappers, and traded fairly. He made them his Company's friends. He studied and read and worked, and with each successive year reports of his good work were placed on file in the Home Office. It is to the credit of the managers that when Sir George Simpson died, his successor recognized Donald Smith's abilities and appointed him a chief factor of the Company, and in 1868,

when Smith was forty-eight years old, came the welcome news that the Governor and Committee of Management in London had chosen him to fill the post of chief executive officer of the Company in North America, with residence in Montreal.

How many young men nowadays would be willing to undertake, to say nothing of completing, such a period of apprenticeship? How he had worked! And how slowly advancement had come! And we wonder if Donald's stout heart did not turn with home-sickness to his cheerful little home in far-away Scotland, not once but thousands of times during those long winters of 50° below zero. Evidently, Smith was not made of the kind of clay which gives up, and it is this very spirit of indomitable pluck which makes the Scot, wherever he may be, clinch his fists and set his teeth tighter together when difficulties come. Obstacles exist only to be overcome. Difficulties do not matter. To win is the object, and to win with credit.

With the assumption of his high office, Smith exchanged the dangers of a frozen land for the subtle and diplomatic difficulties of generalship. The land was still new, and all kinds of enemies, little and big, were keen to attack the great monopoly. Insurrections in the Far West had to be quelled at once, with the rod of stern authority, and these, as all affairs that came under the control of Donald Smith of Forres, were quietly, fairly and finally settled.

IX

A greater cloud, however, had been hanging over the horizon of the Hudson's Bay Company for some time, and Smith indeed had realized its import long before he took the reins of management.

The colony of Canada had gradually assumed a more important place in the mind of the British public. It had become better known; its vast size was impressive;

and a feeling of discontent had steadily grown that this enormous territory continued practically the property of one Company. By 1860 this had become a public question. By 1867 a confederation of Canadian provinces had been formed to advocate the Canadian claim to the north-west, and a series of resolutions to that effect were carried by the Parliament of the Dominion.

The Hudson's Bay Company recognized the overwhelming sentiment in England and Canada, against their continued monopolistic hold, but shrewdly insisted on making terms before accepting the inevitable.

Bargaining between the Government and the Company, after delays and prolonged negotiations, resulted in 1871 as follows: The Hudson's Bay Company surrendered all rights in Prince Rupert's land. The Canadian Government paid the Company three hundred thousand pounds. The Company were allowed certain blocks of land around their posts, and they were given one-twentieth of the arable land of the country. They were further allowed every privilege of carrying on trade throughout the country, as a regular trading Company.

And thus at the end of two hundred years of practically absolute ownership, this great Hudson's Bay Company stepped back into the ranks as a trading Company, instead of a governing power. It is sufficient to say that the delicate negotiations and final agreements were as much the work of our far-sighted man of ideas, Donald Smith, as of any one; and the Company, under his able management, had made persistent progress and excellent profits for its owners.

Donald Smith was knighted in 1886, and made a peer ten years later. He had been a power in political affairs in Canada, but had refrained from entering actively into political life. His biography during these years, as well as in the early years of extreme hardship, forms fascinating reading. He became interested in railway building, and shared with many others the opportunities which a great new territory offered, a territory

filling up with men who tilled the soil, built cities and made a wilderness alive.

To Lord Strathcona came, in 1895, the appointment to the highest office as Lord High Commissioner for Canada, which necessitated his making his residence in London, but this wonderful old man, even at the age of ninety, thought no more of a run to Canada and back than he would of an excursion to Paris.

He died in January, 1914, leaving a fortune of some five and a half millions, which Scottish ability and foresight had helped him to acquire. His charitable bequests were on a lavish scale. They included £200,000 to the Royal Victoria College in Montreal, £100,000 to Yale University, and £100,000 to the Royal Victoria Hospital which was founded by him and his cousin, Lord Mountstephen in Montreal, and will long remain as a monument to his generosity.

To the everlasting credit of this empire builder, it may be said that from the strength and good common sense which the Creator gave him, he builded a magnificent edifice of accomplishment. He stands as a splendid example to the young men of these British Isles, and to all others as well, of what pluck, determination, good judgment and an industrious mind can do. And throughout his active career of eighty years he showed a consistent pride in his chosen calling, as a man of commerce.

He enhanced its dignity, and he wrapped it in romance.

X

But the romance and fascination of the Hudson's Bay Company is no longer what it was. It is still interesting; it still calls for men of ability and nerve; it is still a great business. But the royal touch received through the hands of Prince Rupert, of the Duke of York and of the Duke of Marlborough; the long voyages of discovery of Mackenzie, of Fraser and of Franklin; the philanthropic failure of the Earl of Selkirk; the great Company

meetings and wonderful dinners in old forts, in the then wild country, are all things of the past ; and this great fertile country developing in population, in wealth and in influence, is like the child grown too old and too determined, to live under the control of his foster parents any longer.

Long life then to this splendid and honourable Hudson's Bay Company. It had outlived all its contemporaries, and is still strong and full of energy. It stands before the whole world as a commercial giant, to whom fair dealing is its first law ; integrity is not only its foundation stone but is the very fabric from which it is built. Its history is one of the most fascinating and inspiring which one can read.

XXIII

JAPAN

F Japan's commerce under the Shoguns there is little to be written, for merchants were held in little respect, a short-sighted policy that has since filled with amazement many writers from the progressive countries of the West. However, an account of one of the most extraordinary families of Japan, the Mitsuis, who have given themselves to trade and commerce will be of interest.

This brief history has been supplied to the writer by his friend Mr. Y. Masuda, who has been intimately associated with the house in Tokio for many years. It affords one of the practical demonstrations of the Romance of Commerce that this great family should have climbed the long ladder of fortune and, in a country where such a thing is not so easy as with us in the West, has won enormous success, power and prestige.

The ancestors of the Mitsui belonged to the Fujiwara family. Tradition relates that in the latter part of the fifteenth century one Takahisa of the family Sasaki Daimio of Omi was adopted into the family of Mitsui, who were relatives of the same Daimio and attained to the rank of general. His descendants owned a castle on the famous lake of Biwa, in the province of Omi, and for many years the head of the family ranked among the seven chieftains of the Sasaki, which facts are fully narrated in the history of that clan.

Towards the end of the sixteenth century—the family meanwhile having forsaken their castle in Omi—one of

their descendants named Takayasu held the title of Lord of Echigo. He was a great "knight errant" (Ronin) and had his home in Ise under the Ashikaga Shogunate, during which period the whole of Japan was in the throes of a great internecine struggle, from which, however, he kept aloof and lived quietly at his home until 1610. As the Mitsui seem to have fallen somewhat from their high estate during the three or four generations which preceded Takayasu, the Lord of Echigo is rightly regarded to-day as a restorer of the family fortunes, and is worshipped as a patron saint. In 1910, therefore, being the tercentenary of this grand old man, the Mitsui family built a new shrine to his memory at Shimogamo in Kyoto.

Henceforward the family history is more easily followed. Takayasu's eldest son was Sokubei, and it was in his lifetime that the family began to live at Matsu-zaka in Ise, and took up the business of brewing saki—a Japanese drink. He died in 1643 leaving four children, of whom the eldest opened a shop for the sale of drapery and silks in Yedo (now Tokio). This shop existed until the middle of the eighteenth century. Hachirobei, the youngest son of Sokubei, lost his father when he was still very young and was brought up by his mother, a very intelligent and capable woman. He came to Yedo when he was fourteen years old, and worked as apprentice to his brother till he was twenty-eight. He then returned to Ise and engaged in money transactions for more than twenty years, during which time he underwent the training necessary to fit him in later life for the fulfilling of his duties as a merchant prince.

At this period Kyoto was the residence of the Mikado, while Yedo, where the Shogun lived, was the seat of government and the eastern economical centre of Japan. The western centre was, as at present, at Osaka, twenty miles from Kyoto.

Now Kyoto was famous in those days for the manufacture of beautiful Nishi-jin brocades, and it was during

Hachirobei's life that this manufacture came to be fully developed. Most of the Kyoto merchants, as also those of Yedo, like Hachirobei, boasted of Ise as their native place. Under this influence, therefore, he opened in 1673 a large shop for buying in Kyoto, and another for selling in Yedo. As one of his ancestors had at one time held the title of Lord of Echigo, he called his shop Echigoya.

Ten years later, this shop in Yedo was removed to its present site on the Suruga-cho. A small money-exchange business which had been previously established in Yedo was removed next door. The site of the present building is the same, but the old structure has given place to a far more imposing edifice, built in the most approved modern style and possessed of noble proportions.

In this shop in the same year was originated a method of business entirely new to Japan, namely, "Cash Down at Fixed Prices." Till then in all shops customers had been in the habit of paying at stated times or just whenever they could. Accordingly merchants in quoting a selling price had to make allowance for bad debts, and charge interest on long-standing accounts. But the new method changed all this, and thus made it possible for goods to be sold much cheaper. Moreover, goods previously had always been sold in bulk: now set in an era of "piece goods," and customers at the Echigoya found it far more convenient to buy just the required amount than to be saddled with more than they could hope to use before it was spoiled.

The Echigoya at once became immensely popular, and customers crowded to the store in such numbers that gradually other merchants took up the idea and the words Gen-Gin (cash down) Kakene-Nashi (fixed price) were to be seen on boards in every shop in Japan.

Surugacho in those days was supposed to be the best point in Yedo from which to view Fuji-San, so that the Echigoya, if only for that reason, became one of the centres of interest; and the building has been the

NOTES ISSUED BY THE HOUSE OF MITSUI

subject of more than one picture painted by Japan's most famous artists.

The business throve vigorously, and there were soon two branches in Yedo, three in Kyoto and one large one in Osaka. In 1687, they were honoured by being appointed purveyors to the Shogun.

The Mitsui money-exchange business above mentioned proving a success, similar exchanges were founded at Kyoto and Osaka. A proof of their success in this line is to be found in the fact that they were trusted in due course with all the financial business of the Government, the Daimio of Wakayama and others. In 1691, they were appointed to superintend the transmission of monies between the Osaka treasury and the Government at Yedo, which was accomplished by what may be called a "Cheque System." The carrying on of such work for the Government by a private firm had never before been attempted, but the Mitsuis continued to engage in it until the end of the Shogunate. This appointment by Government, and the cheque system, may be regarded as two of the most important events in the economical history of Japan. Since those days the Mitsui house has been the means of supplying capital to many a business firm and company, either to make a start or to stave off disaster. Such was the origin of the Mitsui Ginko.

In those days foreign trade was carried on only in Nagasaki, nor even there were Japanese merchants permitted to deal directly with foreigners. At that port there was a company of merchants who were specially privileged to buy imported goods. Japanese firms therefore kept agents there to buy goods from this ring. The Mitsui shops used to sell foreign goods in the seventeenth century to some extent, and early in the eighteenth they established an agency at Nagasaki, which kept them supplied with foreign woven fabrics and other products in large quantities. This business, after passing through several changes during the Meiji period, became the Mitsui Bussan Kaisha.

Hachirobei, who had thus begun the business, had fifteen children, and with his wife Jusan, paid great attention to their education, giving them a complete commercial training. All these children afterwards did business in the various Mitsui establishments and became united later on as one company, a system which, although quite novel in Japan, held its own during several decades, still exists, and will do so for ever. In this point they must resemble the Rothschild family so famous throughout the world.

The present head of the family is Baron Mitsui Hachiroemon (fourteenth of that name).

There are ten other branches of the family, but all are combined under the one name Mitsui. In 1722, Hachiroemon, first of that name and eldest son of Hachirobei, was the head of the family. In accordance with his father's dying wish, he drew up a family code and left it for his descendants to study and preserve. The whole organization is based upon this code, the spirit of which, though modified to meet the exigencies of modern law, remains to this day. There is no other such organization in Japan.

The business of the house has undergone several changes since the Restoration. The banking business which it carried on for the Shoguns was continued on behalf of the new Government. In 1871 (fourth year of the Restoration period Meiji) they issued, by Imperial command, Government paper money, and in 1876 became a recognized bank, the Mitsui Ginko of to-day. In 1910, it was reorganized as a joint stock company.

The trading business carried on at first separately at Nagasaki became incorporated with other parts of the great whole in 1876, under the name of Mitsui Bussan Kaisha. In 1910, it was also reorganized as a joint stock company.

The Suruga-cho shop carried on business in the same way until quite recently, when it became a joint stock company called the Mitsukoshi.

In 1889, the family bought from the Government the extensive coal-field of Miike, and began to work the same as the Mitsui Kozan Kaisha.

This also now forms part of the present great combination of the Mitsui Bros, and this too in 1911 was reorganized as a joint stock company.

The above narrative of the Mitsui, though very brief, sets forth clearly their business instincts as well as the great influence they have exercised over the economical history of Japan. Another point also has been demonstrated: how very highly the credit of the house is thought of throughout the organization. In conclusion, it is noteworthy that in a country where military fame is most sought after, this one family should have existed for so long a time purely as merchants. That there is no other example of this in Japan is the proud but not empty boast of the House of Mitsui.

The History of the House of Mitsui is the Economical History of Japan

Here are a few details which indicate the ramifications of the affairs of this extraordinary family.

The working (in 1910) of Mitsui System, capital 50,000,000 yen paid up.

Holding Company:	Mitsui Gōmei Kaisha (Firm of Mitsui partnership).
President:	Baron Hachirōyemon Mitsui.
Executive Partners:	Baron Hachirōjirō Mitsui, Baron Takayasu Mitsui, Mr. Gennosuke Mitsui, Mr. Genyemon Mitsui.
General Adviser: (Counsellor)	Mr. T. Masŭda. (Organizer of Mitsui Bussan Kaisha; Mitsui & Co., Ltd.; promoter of Mitsui Mining Co.; most prominent figure in financial and economic society).

Board of Councillors : Mr. T. Dan
(ex-Managing Director Mitsui Mining Co.),
Mr. S. Hayakawa
(Director Mitsui Bank),
Mr. S. Hatano
(ex-Director Mitsui Bank),
Mr. N. Ariga,
Mr. Morinosuke Mitsui.

The Company (*Mitsui Gomei Kaisha*) hold, in fact, the whole amount of shares of the following Companies :—

Mitsui Bussan Kaisha (*Mitsui & Co., Ltd.*)

Capital 20,000,000 yen paid up.

President : Mr. Genyemon Mitsui
(Executive partner of Mitsui Gōmei Kaisha).

Directors : Mr. Yonosuke Mitsui,
Mr. K. Fukui,
Mr. M. Fujise,
Mr. S. Odagaki,
Mr. T. Dan
(Councillor M.G.K.),
Mr. S. Hayakawa
(Director Mitsui Bank).

Mitsui Kozan Kaisha (*Mitsui Mining Co., Ltd.*).

Paid up capital 15,000,000 yen.

President : Mr. Gennosuke Mitsui
(Executive partner M.G.K.).

Directors : Mr. Genyemon Mitsui,
Mr. N. Yamada,
Mr. K. Okamoto,
Mr. T. Makita,
Mr. T. Dan
(Councillor M.G.K.).

Mitsui Ginko (*Mitsui Bank, Ltd.*).

Capital 20,000,000 yen paid up.

THE OFFICE BUILDING FOR MITSUI BANK, MITSUI & CO.
(MITSUI BUSSAN KAISHA) AND MITSUI MINING COMPANY
TOKIO, JAPAN

President : Baron Takayasu Mitsui
(Executive partner M.G.K.).

Directors : Mr. S. Hayakawa,
Mr. S. Ikeda,
Mr. U. Yoneyama,
Mr. Morinosuke Mitsui
(Councillor M.G.K.),
Mr. T. Dan
(Councillor M.G.K.).

Toshin Warehousing Co., Ltd.

Capital 2,000,000 yen paid up.

President : Mr. Yonosuke Mitsui

Directors : Mr. K. Hayashi,
Mr. S. Hatano
(Councillor M.G.K.),
Mr. K. Fukui
(Director M.B.K.).

The Company are the principal Shareholders of the following enterprises :—

Oji Paper Manufacturing Co., Ltd.

Capital 8,400,000 yen paid up.

President : Mr. Tokuyemon Mitsui.

Directors : Mr. G. Fujiwara,
Mr. S. Ohashi,
Mr. T. Ono,
Mr. N. Ariga,
Mr. K. Takashima,
Mr. N. Koda,
Mr. K. Ogasawara.

Sakai Celluloid Co., Ltd.

Capital 2,000,000 yen paid up.

President : Mr. Yonosuke Mitsui.

Directors : Mr. M. Morita,
Mr. T. Dan
(Councillor M.G.K.),
Mr. K. Fujino.

Shibaŭra Iron Works, Ltd.

Capital 5,000,000 yen.
Paid up 2,750,000 yen.

President :	Mr. Morinosuke Mitsui.
Directors :	Mr. K. Kishi, Mr. S. Kobayashi, Mr. T. Dan (Councillor M.G.K.), Mr. J. Otagŭro, Mr. J. R. Geary.

Outside of Mitsui people—

(Representative, General Electric Co of America).

Mitsukoshi Gofukuten, Ltd. (*Successor of old "Echigoya."*)
(Originally Drapery Store, now a Department Store).

Capital 2,000,000 yen.
Paid up, 1,750,000 yen.

President :	Mr. H. Nozaki.
Directors :	Mr. T. Asabuki, Mr. K. Fujimura, Mr. R. Nakamura, Mr. Y. Masuda, Mr. S. Yamaoka,

Hokkaido Tanko Kisen Kaisha, Ltd. (*Hokkaido Colliery and Steamship Company, Ltd.*).

Capital 27,000,000 yen.
Paid up 22,500,000 yen.

President :	Mr. T. Dan (Councillor M.G.K.),
Directors :	Mr. T. Isomura, Mr. T. Uno, Mr. C. Ikegami, Mr. N. Yamada, Mr. W. Amamiya, Mr. K. Takashiro.

An Abstract of the Memorandum of Association of Mitsui Gomei Kaisha

(Firm of Mitsui Partnership; the holding Company.)

Art. 1. The name of the Firm is Mitsui Gomei Kaisha.

Art. 2. The objects of the Firm are to acquire hold and administer securities, to carry on afforestry and manufacture of camphor, etc.

Art. 3. The Capital of the Firm shall be 50,000,000 yen divided into 1,000 shares.

Art. 8. The Partners of the Firm shall amongst themselves bear responsibility according to the proportion of their individual subscriptions.

Art. 10. When a partner shall have lost his right of Headship of his Family, his rights and responsibilities shall as a matter of course devolve upon the heir of such partner.

Art. 11. A partner shall not be permitted to assign to any others any portion or the whole of his shares, neither shall he be permitted to place his shares as security with others.

Art. 13. The partners shall amongst themselves in general meeting elect . . . Executive partners to conduct the business affairs of the Firm.

Art. 26. The Partners shall have the right of one vote for each share held.

Art. 31. The sum to be placed to the Reserve Fund of the Firm shall be over and above 50 per cent of the Net Profit of each fiscal term.

Art. 32. The names of the Partners of this Company are as follows:

Hachirōyemon (Baron) . . .	Mitsui
Gennoske	Mitsui
Genyemon	Mitsu
Takayasu (Baron)	Mitsui
Hachirōjirō (Baron) . . .	Mitsui
Takanaga	Mitsui
Sŭgako (Miss)	Mitsui
Morinosŭke	Mitsui
Takaaki	Mitsui
Yōnosŭke	Mitsui
Tokŭyemon	Mitsui

AN ABSTRACT OF THE REGULATION OF BUSINESS MANAGEMENT OF MITSUI GOMEI KAISHA (FIRM OF MITSUI PARTNERSHIP) THE HOLDING COMPANY

Art. 1. The Executive Partners shall conduct the business of the Company. In addition they shall supervise the affairs of other Companies of which the Company are the principal shareholders; they shall also endeavour to encourage and promote the establishment and furtherance of mutual good understanding amongst such Companies last mentioned, and also that the Company shall be in good touch with all of them.

Art. 3. The Executive Partners shall call for the opinion of Councillors on all matters brought up for discussion.

Art. 5. The Executive Partners may appoint Partners, Councillors, Managing Directors, Secretaries, or any employees of the Company as Directors or Auditors of other Companies in which the Company are shareholders.

Art. 7. The Company may appoint one General Adviser.

Art. 8. The Executive Partner shall, before passing any resolution that concerns the business of the Company, call for the opinion of the General Adviser.

Art. 9. The General Adviser is to be elected and appointed from one who has been in the closest touch with the Mitsui family and concerned therewith for almost a lifetime, and one who by his many years' experience and knowledge receives the unanimous trust of all the Partners.

Art. 10. The Company shall have three to five Councillors.

Art. 11. The Councillors shall be appointed from those who shall have served in the Company, or in other Companies that the Company has been concerned in for many years, and have experience and ability.

XXIV

A REPRESENTATIVE BUSINESS OF THE TWENTIETH CENTURY

NE of the chief differences between the commerce of the sixteenth century and of the twentieth lies in the wonderful and complicated organizations of the present day. Their magnitude makes even the largest of those of which we have been reading seem insignificant.

The Phœnicians a thousand years before the Christian era were fearless, progressive and splendid, but we read of no gigantic combination of brain and muscle organized as one house. They traded individually, as did the Venetians and even the great Fuggers of Augsburg, leaving no trace of that ability which selects and teaches others to assist in any remarkable enterprise.

To do business in those days was more difficult in many ways, but easier in others. The field was unexploited. The prizes were sought by fewer people. Combined specialization had not become the important factor it is to-day. Merchants were bankers, shipowners, mine-owners, coiners of the country's money, as well as makers and traders in merchandise; but in all these channels of activity they themselves transacted the business in their own counting-house, and we have seen how the famous "Golden Counting-House" of the Fuggers in Augsburg received within its spacious walls the emissaries of kings.

Governments and merchants were then more closely

affiliated. There was less money in the world, and less need for money. Commerce was in its infancy. Competition was infinitely less, and the terrific effort to get business which now permeates the commercial world was a thing unknown. Where one Jacob Fugger, Cosimo de Medici, de la Pole or Gresham strove for success we have now literally thousands of keen, clever men as fearless, as progressive and as determined as they. Money not only for the few but for the many is the prize which is sought, and for this prize is the race now perhaps swifter, the battle keener, the game bigger than has been any race, battle, or game since the world began; and commerce in its broader sense is the medium through which this prize is won.

And the day of physical adventure is over. The day of the bold Phœnician, the fearless trader who with his caravan threaded his way into unknown lands; the day when the early English merchant-sailor trusted and risked his fortune in one small boat, and sought out markets and trading points in undiscovered corners of the earth—these days are gone for ever. The earth has all been "discovered," its lands and peoples are known, and its oceans charted. The merchant who desires to transact business abroad has at his call every detail of information regarding every country, island, or people.

The world is smaller. Steam and electricity, great ships, railways and many recorded experiences have made it so; but as the circumference of this earth has seemed to diminish its commercial undertakings have grown greater. Men of genius and wonderful nerve and determination, who in the Dark Ages would have been conquering princes, have in these later years thrown their ability into Commerce and have conquered, not territory and slaves, but trade and its child, money, from any and every part of the world where trade was to be found.

The man of business of the twentieth century differs enormously from the merchant-adventurer of the fourteenth, fifteenth and sixteenth centuries in his methods

and the tools with which he works. The last hundred years have shown him that one man cannot do it all, and that anyone who attempts to hold within his two hands all the threads of a great business of the present day fails to achieve the greatest success. No one has more than a given number of minutes in every day and year in which he can work, and no matter how great his ability he will soon find his limitations. If, however, he uses that ability in finding and teaching others as capable as himself, or in certain details even more so, the limits to his sphere of operations are hard to set.

This ability, therefore, to organize, to breathe into others that fire of enthusiasm, that quality of judgment, that spirit of progress, has long been considered by thinking men of commerce as the final and greatest of all qualities, the test of supreme commercial genius.

In an abridged description of trade such as the present, the great Distributing House, or Department Store, so called for the want of a better title, may be permitted to represent the modern spirit of organization. It is to the writer the most interesting of all forms of business, and by its constant and necessary publicity it occupies perhaps the most conspicuous place in the public mind. It usually employs the greatest number of people, and must seek employés of the higher grade of intelligence. It frequently, therefore, pays out in salaries and wages a larger sum weekly than any other single business, and is more often approached by those seeking opportunity to work than any other. Its daily transactions are large in volume, its cash handled is very great. It is intimately associated with every family in the community in supplying them with the necessities of life, and thus by force of circumstances enters into the daily life of the city in which it is. We can perhaps best appreciate the magnitude of this modern development when we remember that a hundred years ago the selling of goods at retail had settled into a system of small shops, each confining itself to a particular class of

merchandise. The comprehensive trade of the sixteenth century had been divided into small sections, and the smaller the section the smaller was the study, the amount of experience and the capital required. The retail trade of shop-keeping became in consequence a petty and insignificant undertaking, necessitating little risk, little profit and little ability; and so generally was this fact accepted that the name of shop-keeper became a term of reproach and of disrespect.

Adam Smith, the great economist, in referring to the public question, wrote: "To found a great empire for the sole purpose of raising up a people of customers may at first sight appear a project fit only for a nation of shop-keepers."

Napoleon, too, is frequently quoted as referring to England as "only a nation of shop-keepers," but we can find no authority for putting these words into his mouth. That the expression carried with it a slur is evident, for shop-keeping in those days was not merchantry, the buying and selling on a comprehensive scale, but was small trading, insignificant and extremely unimportant.

In all parts of the world this condition existed till about half a century ago, when a few shop-keepers became inoculated with the spirit of enterprise. They grew beyond the little shop by the simple process of addition, and came to recognize the building which was to house the expanding business as something of importance to be thought of, and be made better. Then it was that department stores in their early stages began to appear; and from then until now they have continued to develop in every direction, and no man can foresee their final form and size, or say where they will stop. No one who knows the ramifications of these great modern stores can feel for a moment that they have reached their highest point of achievement. "The room for improvement" is still the biggest room in the world, and all that is now done means a step forward into a new and hitherto undreamed of realm; and to this much of the excitement and interest

of such a business is due. Imagination must be drawn upon, risks must be assumed. "Nothing venture, nothing have" is perhaps truer of the great distributing house, as it is called in Great Britain, than of any other enterprise.

But let us take a bird's-eye view of the great department store; and to do this we must at the moment at which this is written look either to Paris or to one of the large cities of America, for while the premises of the stores in London are large they do not yet approach in square yardage those of France and America, nor does their volume of annual business nearly equal that of several great stores in those countries.

Picture to yourself, then, an enormous building or perhaps a group of superb buildings designed with the highest quality of the architect's skill, and planned down to the minutest detail by those who are masters of the details of the business itself. In Europe, the height of the structures is limited to five or six storeys: in America, stores frequently tower up fifteen storeys or more, and with rapid smooth-running lifts one floor is as good as another. These buildings measure their floor area by the acre, and twenty, thirty, or even forty acres of floor space—or even two million square feet—are not extraordinary; while it is quite likely that before the ink on these pages has become dry some great merchant with imagination, courage and ambition will announce his purpose of erecting a structure perhaps twice as large as any now in existence. If he does so, it will not be for the sake of having the biggest thing on earth but because more space will allow him to set the word "perfection" further out in the hitherto unexplored fields of endeavour. Bigness alone is nothing, but bigness filled with the activity that does everything continually better means much.

Picture further this enormous space fitted with store furniture, every section and piece made especially for the purpose for which it is intended, each piece representing thought for the greatest convenience, economy

of space and beauty of design, and embodying every newest device to lighten manual labour and to give greater protection to the goods.

The floors are of marble or mosaic, or are covered with hundreds of thousands of yards of carpets. The lifts are almost without number, for there are already great stores equipped with between one and two hundred lifts of the highest grade and excellence, and all must have many staircases as well. But further details of the physical plant are quite unnecessary. Everyone who is familiar with the large cities knows at least something of the enormous size to which each division of the great department store has attained.

In this specially built receptacle are placed many hundreds of thousands of pounds worth of merchandise, gathered and selected with the utmost care and experience from every corner of the world. Buyers are continually sent skirmishing here, there and everywhere, to buy of well-known and time-tried makers, or to discover, hidden away in some almost inaccessible village, a little unknown maker who is producing some trifle of commercial value.

The merchant sends the buyer far afield with instructions to invest a greater or less sum of money in such goods, either staples or novelties, as he thinks will interest the home public. He risks his money and a certain amount of prestige upon the judgment of the buyer, to whom an intimate knowledge of the public's wishes and whims, and of the department's ability to sell profitably what he buys is absolutely necessary to remove as much as possible of the element of risk. Much merchandise begins to depreciate from the day it arrives; practically none increases in value. The buyer, then, must learn to buy enough and not too much; to buy what will give satisfaction when sold again; to pay not too much for what he buys; to know qualities and values; to spend his employer's money wisely and well. All this carries with it a certain speculative risk, but so certain does his

judgment become, that the house conducted on scientific lines can estimate to a fraction of one per cent. what reduction must be made on the remainders or on undesirable purchases before the lot is cleared, since such reductions must always be made.

But there are other risks to be taken by the merchant besides those of buying stock, and the man who fears to take risks must, to be successful, find some other avenue for his activity than the business of the department store. Perhaps the accompanying Chart of Organization should be scanned by the reader, before learning of some of the other "chances" which the merchant must face.

A great distributing house must always depend vitally upon its staff, and this chart shows how the staff of a house employing from 5000 upwards can best divide the responsibilities in the conduct of its business. There are seven great divisions of labour, each independent of the other, but all necessarily close, co-operative and thoroughly in harmony with the policy of the business. By reference to the chart they will be seen to be classed as follows:—

The control of the building itself, the fittings and furniture: in other words, the physical home in which the business is to be conducted—the gathering of the merchandise which is to fill the counters, shelves and reserve rooms—the selling of these goods—the selection of the great staff by whom all parts of the business are carried on—the clerical work of the business, including its finance—the supervision of the very many individual systems so necessary to a smooth running establishment—the supervision of expense.

Perhaps a more careful outline of each of these provinces may not be out of place. Let us therefore follow each in turn and show the qualities of mind and directions of thought necessary in each.

To refer then to the first one mentioned—the control and management of the buildings and equipments.

The Supervisors of this portion of the organization must be students of architecture and schools of design. They must know of the best which man has thus far been able to draw and to build, and must include in that knowledge the relative value and cost of each of the component parts which enter into the construction. They must know the best markets in which to find their requirements, and be keen to originate new and workable ideas for improvement, and equally keen to acknowledge and accept ideas, if practical, which someone else has worked out; for it must be recognized that when once an improvement has been demonstrated and put into use it becomes public property, and can be adopted by anyone progressive enough to accept it. There is very little in a distributing house which is patentable, and secrecy in the case of its improvements, either in architecture or equipment, is quite out of the question. The supervisors of this division must be open-minded and free from prejudice, for otherwise they build a wall beyond which they cannot see. Indeed in this, as in every division of the control of a twentieth-century business, broadmindedness is an all important factor.

The Supervisors of Merchandise, or merchandise managers, must be students of men, of markets, of the science of trading and of figures. Of men, because they are advising and controlling the buyers, but doing it so adroitly as not to deprive them of their responsibility, credit and enthusiasm. They must know more or less intimately the world's markets, so that they can intelligently advise with the buyers as to where and when to buy. They must be pastmasters in the art of trading, for otherwise they are controlling those who know better than they. They must be experts in figures, for great businesses now are directed and controlled through figures To the merchandise manager, a detailed report in figures is as clear and as enlightening as the compass to the navigator. It tells him how his ship of trade is

going. It keeps him away from rocks and shoals, and shows where the water is open and clear. To the student of figures, a great and seemingly complicated statement of percentages is as beautiful a picture as can well be made, and with it always goes the satisfactory feeling that figures cannot lie. When reports deceive, as they easily can do, it is not the fault of the figures but of the one who made them. Business results are based nearly always on comparison. This month, or quarter, or year with last—this department with its neighbour—this business with some corresponding business, if need be, in some other part of the world; but comparison, always comparison, is the thing.

Yet comparisons, no matter how illuminating they may be, are of little value to the *self-satisfied* manager or board of managers. If one cannot learn from others, one can only be interested in comparisons when they are in one's own favour, and such a policy is only comparable with that of the ostrich whose head is buried in the sand, again demonstrating how necessary is the open mind. Self-contentment finds no chair, no place for repose in the modern business which has for its motto "Excelsior."

The merchandise managers must cultivate conservative judgment and must be free from impulsive hysteria. Conservatism does not mean always saying "no," but may be defined as a careful forethought, ready to endorse risk when risk can be afforded, and when accompanied with the chance of probable success. The merchant is not a speculator beyond the necessities of his business. Its exigencies require a certain gamble, but one in which the purely speculative is eliminated as far as human ability and thoughtful experience can contrive. The merchant's province is to buy or produce, and sell. It is not within his sphere of activity to sell what he has not, nor to "corner" any product, nor to trade beyond his financial or commercial abilities. The buyer may through undue optimism see greater possibilities than

exist. It is the merchandise manager's duty to see through and past this too great optimism, and conservatively check the step toward hysteria.

Conservatism, as understood by the man of commerce, is a word of two meanings: the one he admires, for the other he has no respect.

To be conservative means to be wisely careful, more ready to say "yes" than "no," but only ready with a "yes" when a clear road ahead is evident; optimistic and enthusiastic on principle, but keenly alive to possible pitfalls; determined to do, to work, to think, to accomplish, but with eyes wide open, and hand always on the steering wheel.

Or, to be conservative may mean to let well enough alone; to adopt as one's motto, "What was good enough for my grandfather is good enough for me"; to say "no" always, because it is easier and requires less effort, to let things rest as they are rather than give one's sanction to a change, a possible advance. To shrink from the responsibility of trying anything which has not already been tried. In short, such conservatism means standing still rather than advancing. It is the opposite of progress. It is the result of mental laziness and physical inactivity. It hates imagination, shuns progress, fears anything new, and guided by this kind of conservatism no nation, State, business or individual has done great things, or left a creditable impress on the period in which it or he lived.

The other conservatism—the progressive conservatism, if we may use this term—stands, however, for almost the opposite. It takes progress to its arms, it feels that nothing is "good enough" which can be better, that our grandfathers' methods and results should, wherever possible, be surpassed. It stands for effort, no matter at what physical or mental cost, if that effort will place the foot a step further toward what may be called the better. Such conservatism is optimistic, happy and never tiring; but it brackets all effort with the principle of

intelligent forethought. It counts the cost with a "look before you leap," but nevertheless urges the leap if safe ground and a fair landing are evident. It applauds imagination as the forerunner and roadbuilder for judgment. It counts imagination as its wild, fantastic, but original comrade, who is always exploring the undiscovered, and who often points out the way to new victories.

One conservatism makes for progress, the other stands still, or worse. One looks up and out, the other down and back. One thrills with determination, the other shudders with hesitation. One is the disciple of intelligent optimism, the other is nearer pessimism than it knows.

It is the intelligent conservatism of progress which is essentially a necessity for the managers of the several great divisions of a large department store. To the managers of merchandise it is especially so, yet it is but one of the many qualities required; for broad and far-reaching must be the experience which is hourly called upon by this important division of a great business.

The Manager of Staff. Perhaps in a great store—a distributing house—the personnel of the staff is of more importance than in any other undertaking employing many people; and we must now describe the qualifications necessary to those who would fill the posts as managers of staff. A house may spend effort and money to any extent in preparing its building, its stocks, its systems. It may persuasively invite the public to become its customers, but before the public complete their first transactions they must, through each individual, come in direct contact with some member of the staff; and upon the manner in which that transaction is conducted depends largely the future goodwill or disrespect with which the customer regards the business.

It behoves the house, therefore, to place in its various departments and behind its many counters those whose manners, attentiveness, acquaintance with their duties,

will give evidence of intelligence and of a desire to perform well what is required of them.

To the manager of staff falls the selection of the members of the staff, so that probably their first requisite is a thorough acquaintance with that most complicated of all studies—Human Nature. He must know men and women, and be able to put himself into the condition of mind of the applicant for the position. He must judge quickly from the manner, the words used, the tone of voice, the appearance, the walk, the face and the answers given to his questions; he must be fair-minded and free from all favouritism or prejudice, and as the listening to complaints and possible reprimand or dismissal of the staff also comes under his control, he must have a keen sense of justice, and strength of will to maintain his decision; for whoever allows an unfair and uncalled-for criticism to militate against an employé loses the loyalty of the employé and the respect of the critic.

The time has passed when an irritable customer, no matter who he or she may be, can, whether right or wrong, ride rough-shod over the young man or woman behind the counter, and demand his or her dismissal; and it is a good thing it is so. There are always two sides to every question, and even when mistakes are made they are usually of the head and not the heart; and the precept to be laid down by the staff manager to employés should be "Don't make the same mistake twice." He is often sitting as a judge, upon whose decision depends the success or failure of the young man or woman who may be just starting out in life. Fairness is, therefore, a prime quality.

But many other duties fall to the staff managers. They must be the friends and co-workers of the staff, always ready to give help or sympathy when wanted. They must know more or less of the manner of life of the men and women; not with the thought or privilege of interfering, but of recognizing whether each is able to give his best during the business hours of each day. They

should help to make each employé happy in his work, for everyone works better who puts his heart into it, and does it for the love of doing rather than from the fear of not doing.

To the wise managers of men, encouragement more often than fault finding brings the better service and loyalty, and anyone who has ever served in a minor capacity knows that a well-earned "pat on the back" will make the blood flow faster and do more to cement the loyalty and determination to do continually better than any number of scantily earned reprimands. The managers of staff must, therefore, find it as easy to say a pleasant thing as to reprove, and must know when to administer praise or blame.

The golden rule of treating others as one would like to be treated is as wise and practical in the business of managing a staff as it was in the Sermon on the Mount, and has in this twentieth century been adopted as a guiding principle by the most eminently successful managers of men.

The Managers of Selling. Every division of a great department store is fascinating to one whose mind grasps and enjoys details; and this faculty is an absolute essential to the managers of selling. Each is an executive officer carrying out in minute detail the policy which the head of the business has formulated or endorsed. For a great manufacturing and distributing business is like a principality made up of states. Each state acts co-operatively with all the others, and the policy is the same for all and must include every division, section and department of the business.

Of all the divisions, none offers greater opportunities for that superb quality which we call imagination than that allotted to the managers of selling. As necessity is the mother of invention, so it and imagination are the two parents of originality, which is a prime necessity in a business already surpassing in development and

excellence in its almost infinite details and ramifications any previous business in the world's history.

Originality of one kind is appallingly rare; such originality as produces an absolutely new idea; which reaches out into the blue sky and grasps a thought that has not been known before, and as the world of civilization grows older it becomes increasingly difficult to do so. There are, of course, many, many things which should be discovered, but the human mind is exceedingly finite and it finds its limitations quickly.

It would be enormously interesting could we get into communication with Mars, or some inhabited planet other than our own, and learn how its people are doing things. Suppose steam and its power had never been discovered, how different our lives would be. Suppose the weaving of fibres, or moulding of iron, or the use of electricity, or the discovery of printing, or the making of paper had never come about.

Perhaps the people of Mars, if such there are, have not followed our general line of thought. Perhaps they have discovered other principles of which we know nothing. What a gigantic step forward each people could make by communicating with the other. But while ways and means for doing this are still undiscovered, why should not man, as the most intelligent animal on this earth, develop his originality still further by the exercise of that too often discredited faculty of imagination?

But the kind of seeming originality which is more often used consists of adapting an old idea to a new branch of activity. For example, the knitting-machine at first was but the adaptation to machinery of the movements of the fingers of the hand-knitter. It was marvellously ingenious, but it was nevertheless adaptation. The aeroplane is but the sustaining power of great stiff wings, as we constantly see used by the seagull when flying against the wind, coupled with the internal explosion engine which has been in use for years.

The electric light is nothing more than the electric current of which we have known since the time of Franklin, retarded by a non-conducting substance for a sufficient length of time to produce a white heat. And so in a lesser degree many of the seemingly original things resolve themselves into nothing more than adaptations of someone's great discovery. And practically all industries are developments and owe their present conditions to evolution. Of the great discoveries, printing is the only one which we can recall which sprang at once into perfection, for it is a fact that as beautiful printing was done in Venice, and as beautiful type was designed there within ten years after the first type was cut, as has ever been produced since. But all this is a digression from our subject. We are writing of the duties and opportunities of those men who supervise the sales division of a great department store.

The selling of merchandise is the primary reason for existence of a distributing business. Something new, something better must constantly be thought of, and the imagination of the sales manager must devise, continually, fresh schemes for the stimulus of sales. He must put himself in the place of the public. He must think from the standpoint of the customer. He must dream out the ideal, allowing his thoughts to run wild, and then by bringing judgment and experience to his aid and discarding the impractical and useless, crystallize the thought into workableness. Neither must he expect nor attempt to do all the thinking or imagining himself, but must be quick to receive and act on the suggestions of others, always giving them full credit for what they have proposed.

Coming also under this subdivision is the publicity branch of the business, of which the old merchant-adventurers knew little, and so wide is this field that one could fill volumes with its details. The past few years have seen enormous strides in this art, and so important has it become that it is said that more money is spent

annually throughout this world for publicity, or advertisement, than for any other purpose. It is called an art, and so it is, but equally is it a science or a profession. It has been taken into the service of commerce just as commerce has employed every other art or profession. As the whole must be greater than a part, so then must broad commerce be greater than any single profession, or art, or science which it uses, encourages and pays.

The distributing house wishes and requires publicity—advertising, if you please, for they are one and the same—and so does almost everything else in the world which will stand the calcium light of public attention.

Men in high places do not often wish their work and words to be hidden under a bushel unless they are ashamed of them. Members of Governments often strive for the top of the printed column, though their efforts may be skilfully disguised. Great ladies see to it that their goings and comings are chronicled, that their pictures are printed, that their entertainments are described; and it is only necessary to be half a newspaper man to know these things. Publicity, or perhaps more politely, Recognition, is what they want. Publicity is the vehicle of the ruler who must retain the good will of his people; of the statesman, politician or agitator; of the society leader or slum worker; of the house of commerce, the man of science, the artist, the inventor: and even the man who does nothing often wants to make it known to his fellow-men that he does that nothing uncommonly well.

All this is but natural; to wish the respect of one's fellow-men is a laudable ambition, and why should not this respect be received from a greater number, by the aid of printers' ink? At all events the fact remains that publicity is not often honestly avoided.

Let this all be as it may.

A distributing house is a public institution, and its carefully thought-out efforts must be recognized, appreciated and taken advantage of by as many as possible.

It therefore looks to printers' ink to help do this work, and for it, pays large amounts freely, with good business judgment; and the supervision of this branch comes under the general charge of the manager of sales.

In a large house, secondary only to its published matter are the displays of merchandise. This too is a kind of advertising. The dressing out of the departments and the windows is done by highly specialized artists, men who study a window with the same care that the stage manager or scenic artist studies his stage effects. Window displays are designed, constructed and actually dressed in the studios before they are placed in the windows. They often require months of study and months for execution. It is an art, and a very costly art, but it is worth all that it costs.

Displays are created not from the goods alone, no matter how attractive they may be, for such aids as electricity, flags of all nations, emblems of all undertakings, and buntings are also used freely. Graceful palms are as much a part of a comprehensive store scheme as are other decorations; and in fact the whole world of colour and of art are considered by the artistic window-dresser as his field of supply. This feature of the great store is reaching nearer and nearer the point of perfection, but, fortunately, always as one reaches the goal of what seemed perfection a point of still greater perfection appears further on.

Furthermore, as all parts of a business are worked on a mathematical system the manager of sales must be an adept at figures, to whom a table of comparative percentages is as clear as the primer. He must, therefore, be highly practical as well as imaginative. He must have a broad knowledge of what is going on all over the commercial world, so that he may adopt any good new idea which appears. He must know how to encourage original thought in himself and others. He must be a reader, a student, and an observer.

And yet there are still some people who look upon

business as a discredited and unworthy occupation. The want of breadth, of knowledge of world affairs and inability to increase their horizon are singularly apparent in many whose opportunities for what is called education and for finer degrees of civilization have been the greatest; and especially is this true in these islands where "precedent" in certain restricted circles still stands for so much.

Precedent should have little place in a progressive business, a progressive Government, or a progressive nation.

To act always according to precedent is to acknowledge that one's ability to think and judge is inferior to that of one's grandfathers, and to assume with a blind stupidity that nothing is right which has not been accepted long ago. Steps had to be taken once: they were taken, and as often as not proved to be errors of judgment. No matter, the steps were taken, and right or wrong they are the only ones to be taken again. How extraordinary it is that men can be found who, failing in nerve or brain power, follow like blinded sheep some false leader of a century ago, simply because he did live a century ago.

It is fortunate for the empire, however, that few of the younger men accept the theory that whatever was is right, and generally prefer to think for themselves; while those who stick to many of the old worn-out, moth-eaten policies of the Mid-Victorian era must by the laws of nature before very long retire from the direction of this world's affairs, and final rest seek somewhere where things never change.

The Managers of Systems. In a large organization someone must be a supervisor of systems. System is the servant which keeps the machinery straight. It is here, there, everywhere. It must never make itself felt except through its beneficial results. It must be known by its works. System which is obtrusive is irritating; it

becomes red tapism. System is like gravity, it acts without being apparent. In a great organization it is an imperative necessity; but wisdom in management quickly cuts off any piece of so-called system which has failed to justify its existence.

System is like oil, but it is much more than this. It not only keeps the machinery cool and free from friction but it is almost the machinery itself. System, according to the modern department stores' acceptation of the word, means " the best way to do things."

How shall merchandise be received? Certainly not in some haphazard fashion! A system must be devised based on experiment, experience and conditions. How are the hundreds of thousands of parcels to be delivered each at the door of the right purchaser? How shall each transaction be carried out to its satisfactory conclusion? How shall employés set about their tasks? How shall the building be kept clean, and watched at night? How shall the cashiers receive and pay out money? the monthly statements be posted up, day by day? the heating and lighting be done? the lifts managed? How shall the entire mechanical and clerical parts of the business be conducted? Ask system, and if the system of the house is correct, things will at least run smoothly.

But system is always the servant, never the master, and furthermore a servant which improves with each added season's practice; and it is the pleasurable task of the managers of the systems of the house to see that the systems are always moderr and the best that can be devised.

These men must always have time to investigate any new time, labour or money-saving machinery or contrivance. If a new typewriter or adding machine is offered it must be looked at, and accepted or declined according to the judgment of the manager of systems. A new method of entering records, of counting money, of making out bills, of collecting parcels, of wrapping

packages, or any one of literally thousands of actions in a great house must be considered by the managers of systems; and upon their judgment depends much of the smoothness or friction with which the business runs.

Good judgment of course is the foundation stone upon which the whole fabric rests. Good judgment should, if possible, permeate the entire organization from top to bottom. A faulty decision, an error of judgment is expensive, not necessarily in money only but also in prestige.

The managers of systems should be men quick to see and judge, with a love of the new, and a knowledge in detail of the many working parts of the business, and of other world-wide businesses.

The Manager of the Counting House. To this official comes the control of the book-keeping of the house and very much more besides. All the official figures of the business are compiled in this section. The figures of a business are like the log of a ship. They show just where the business is, how fast it is going, how far it is from port, how its supplies are holding out. They make the managers intelligent on every point necessary. Carefully prepared figures, *arranged on the comparative basis*, indicate to the merchant, who among other things must be a mathematician, exactly the broad conditions of his business. And the study of his reports in figures made to him daily, weekly, monthly or annually, is one of the pleasures which the real merchant looks forward to.

The fact is, many people are going through their daily duties too much because they think they must, rather than because they love to; but the man who approaches business with a joy in the work becomes a very much more difficult competitor than one who does his work because he has to, and flees from it the first moment he can.

The duties of the Counting House include the sanctioning of all accounts, keeping the many ledgers, paying off all accounts as reported by supervisors of the Bought Ledgers, collecting all outstanding bills or

accounts receivable, and controlling the correspondence, etc. etc.

The chief requirements for managership are judgment, promptness of action as opposed to procrastination, tact and a mathematical mind.

All the good systems have not yet been dreamed out. Some day, someone will think of some method or system of accounts newer and better than we have yet used, and we shall wonder why this better method was not developed long ago.

There is plenty of creative work possible for the chiefs of this division of any business. It can share with other parts of any great business in the charms of the Romance of Progress.

The Supervisor of Expenses. The business which we are describing includes an unusual official, known as the supervisor of expenses. He has no direct control, but is an adviser only. Those whose duty it is to spend money for expenses must spend it, and be held entirely responsible. The supervisor simply watches percentages, increase and decrease, and advises those who spend of the result of his figures. He is a sort of daily historian, a weather gauge, who records results for the benefit of those responsible. He is at the back of the firing line. His eyes are on the figures, and whatever credit he gets in no way detracts from the credit due to the other man.

If he is to succeed, tact is an important element in this man's natural qualifications, for human nature usually hates interference, and he must, in a way, be constantly doing what (if done in an untactful way) may be considered as interference.

His office is a new one, for this sort of supervision of expenses is one of those steps of progress which have been taken by the adventurer into the field of the hitherto unknown, a field where we may gather as much as we expect of that rich grain called " doing things better."

The Chief or Head of the Business. It now but remains to describe the position of the head of the house; for whether the great business is controlled by a board of directors, as is the usual method in England, or by an individual owner, as is more often the case in America, the fact remains that there must be one controlling spirit, one who stands for the policy, the principles and the personality of the house.

The head may be designated by any convenient title. He may be the managing director, the chairman, the president, the controller or the owner. It is all the same. His personality must be, or should be, the outstanding influence on the character of the house; and his ambitious breadth of view, knowledge of the world and good judgment will, when competition is strong and healthy, determine the results of his house.

If any house is continually to grow and develop and not, like the tree, to stop after reaching a certain size, but to keep on growing greater, finer and more splendid, the head of such a house must make of business a great game which he loves for the game's sake and never tires of playing. The cold profits in pounds sterling, in dollars, francs or marks must represent simply the counters in the game—desirable in themselves but not the only prize. As the father finds pleasure in watching his son's progress with each week's or year's study and experience, so the merchant should find keen pleasure in the yearly progress of his business—not only in volume but in prestige and excellence. The father does not always look forward to his son's reaching the age of full maturity, for too often when that time is reached he finds his son less close to him and less his own. So the merchant cannot with wisdom consider or look forward to the final growth as the period of the greatest pleasure, because in a business there should be no final growth.

He must, therefore, be ambitious as regards his business beyond the point of final gratification. Business success is by no means the only aim in life, but with the

real merchant it is one of the aims, and one that employs a large number of hours in every day and week. Contentment and self-satisfaction have little place in his plan of life. Just as the scientist finds his greatest joy in discovering new formulæ, and is not ready to stop and do nothing after finding the first; so the merchant studies and experiments in new fields of development, new methods, new ideas, new formulæ. As he grows in power and strength he must outgrow the littlenesses of the nature with which most men are born. Jealousy and narrowness of outlook must disappear. He should be broad as the great prairies—much more ready to applaud success whenever he sees it than he is to receive applause; for, aside from any more praiseworthy motive, such an act on his part dignifies the calling which he has adopted, and increases its repute among his fellow-men. The great merchant must be a world man and not a local man. He must be in touch with all the world of commerce, but he must enjoy the continual gaining of fresh knowledge. If all this is irksome, is disagreeable work rather than a happy occupation, he is poorly fitted for his post.

The head of the business must know at least in a general way the daily duties and the requirements of each of his lieutenants, though he need not necessarily be a master in each of the varied branches of effort.

His opportunity to study human nature is almost infinite, and as has been truly said, the most fascinating study of which man is capable is man. Nor is this study without result; for what can be more delightful than to select some immature and untried young man of latent ability and to direct his development, inspiring, encouraging, criticising, moulding him into a splendid, strong, successful, self-respecting man. And this is entirely within the province of the merchant if he has studied human nature as he should, and if he uses his opportunities. Opportunity is what the quick-thinking, energetic man most looks for in this world. Opportunity

is the road—sometimes broad and smooth, often rough and difficult—but always *the road* along which one may tread toward that goal called Success. The word opportunity as applied in this sense is wonderfully comprehensive, encompassing a marvellous range of directions and possibilities, and only second in breadth and scope to the goal to which it leads, namely, Success.

What is success? Pedagogically "the favourable attainment of anything attempted," but what then is the thing to attempt? The work of life! What is it? What is the successful life? What is the best channel for activity? Is activity of mind or body necessary? Can the lazy man be a real success? Is not one obliged *to do something* to win success?

The question has been asked a hundred thousand times, and answered from innumerable standpoints; but real success must be determined by that great jury which finally decides all big questions—the jury of public opinion.

We may say that we believe that Success in its broadest meaning is the favourable attainment of that object or series of objects which makes for a higher standard of civilization, which gives to the world higher ideals in those things which concern the everyday life of the multitude.

The people count for more than ever before in the world's history. The so-called common people, the multitude, make themselves continually more felt. They control more, and their power grows with every added year; and that man who by word, or speech, or example or works causes the great body of plain people to think on higher planes, to strive after a finer quality of living, who causes the brain of the people to throb faster and on more nearly perfect lines, that man lifts humanity into a higher realm, enlarges its horizon, makes men happier, broader minded, more self-respecting and more dignified, and the degree with which he does this shall define the degree of his Success.

In this pre-eminently commercial age the merchant, the man of business or affairs, is in the centre of the movement.

It is his to do as he will; and the quality of his doing is determined by the height of his ideals and his strength of purpose. Inactivity—doing nothing—simply enjoying himself, while perhaps agreeable, does not and cannot in this twentieth century stand for the highest Success.

What then are we here for? What is or should be the goal in life? and what occupation, what effort most surely leads us to that goal?

For as truly as the captain of the ship decides, before weighing anchor, for which port he is to sail, and as he proceeds in his voyage carefully plans out the following day's duties, so every man, every State, every nation should, if possessing sufficient *moral courage* and ability, decide, "What is the thing to be accomplished?"—what is the goal? *What is the man, the State, the nation here for?*

WORK, good, hard, honest work, will achieve almost any material thing in this world; and work may be delightful, noble, exhilarating, fascinating. Work *may* be full of excitement, of satisfaction, of joy and happiness. Work may be directed in a thousand channels; but of all golden chances, of all departments of endeavour, none, *none* presents such infinite and kaleidoscopic, always changing opportunities as does that broadest, surest field of effort called COMMERCE—a field yielding *its rich harvest* in quick response *to well-directed energy*—a field to be looked upon, if we will, as surrounded with beautiful flowers, fragrant always with wonderful Romance.

THE END

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